



Economic and Social
Council

Distr.
GENERAL

E/CN.4/Sub.2/1997/9
30 June 1997

ENGLISH
Original: ENGLISH/SPANISH

COMMISSION ON HUMAN RIGHTS
Sub-Commission on Prevention of
Discrimination and Protection
of Minorities
Forty-ninth session
Item 4 of the provisional agenda

THE REALIZATION OF ECONOMIC, SOCIAL AND CULTURAL RIGHTS

The relationship between the enjoyment of human rights, in particular
economic, social and cultural rights, and income distribution

Final report prepared by Mr José Benqoa,
Special Rapporteur 1/

1/ The Sub-Commission, in paragraph 7 of its resolution 1996/26, inter alia, requested the Secretary-General to invite Governments, United Nations bodies, the specialized agencies and intergovernmental and nongovernmental organizations to provide the Special Rapporteur with information relevant to the preparation of his report. In order to satisfy this request the Secretary-General sent a note verbale and a letter on 3 March 1997. The Governments of the following countries replied to the note verbale: Cyprus; Jamaica; Philippines; United Kingdom of Great Britain and Northern Ireland; United States of America. The following United Nations bodies replied to the letter of the Secretary-General: United Nations Environment Programme; Administrative Committee on Coordination; Centre for Disarmament Affairs; Department for Development Support and Management Services; Department for Economic and Social Information and Policy Analysis; Department of Humanitarian Affairs; Department of Public Information; International Research and Training Institute for the Advancement of Women; United Nations Children's Fund; United Nations Conference on Trade and Development; United Nations University. The following specialized agencies replied to the letter: International Maritime Organization; International Monetary Fund; International Labour Organisation; United Nations Educational, Scientific and Cultural Organization; United Nations Industrial Development Organization; World Bank; World Meteorological Organization. The following intergovernmental organizations replied to the letter: Commonwealth Secretariat; European Commission on Human Rights. The following nongovernmental organizations replied to the letter: International Confederation of Free Trade Unions; Foodfirst Information and Action Network (FIAN); Pax Romana. The Economic Commission for Latin America and the Caribbean (ECLAC) supplied us with much material on this subject. In the course of his work support and

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collaboration were received by the Special Rapporteur from many nongovernmental organizations, especially the World University Service, the Centre Europe-Tiers Monde in Geneva, the American Association of Jurists, the International Association of Democratic Lawyers, and the SUR Centre for Social Studies in Santiago de Chile, which provided support for the preparation of the statistical data and the necessary working time for these studies to be carried out. The Special Rapporteur also received support from the Secretariat of the Centre for Human Rights, through Mr. Luca Lupoli and Mr. John Pace, Head of the Research and Right to Development Branch. In the preparation of this final report library support and adequate time for research were also given at Indiana University, Bloomington, Centre for Latin American and Caribbean Studies, and support was received from the Fulbright Commission.

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INTRODUCTION

A. Purpose of the report

1. Growing inequality in the distribution of wealth and poverty are the principal social problems affecting the economic development of the contemporary world at the close of the century. The world economy is in a new cycle of expansion, generally recognized as a new wave of "globalization" of the economy. This process of expansion is rapidly transforming all societies, both developed and underdeveloped, reordering the markets for labour, goods and services, affecting mass consumption and the customs and daily lives of millions of human beings. Production activities are tending to be moved, or "delocated", as a consequence of the pursuit of greater levels of gains. Enterprises are downsizing ^{2/}, and work of good quality is being replaced by work in service sectors which produces neither sufficient income nor job satisfaction for those who do it. In this process of globalization many people perceive that new and growing inequities are being produced within countries and between the countries and regions of the world. There is growing realization of this and very little capacity to respond or find alternative ways to reorient these increasingly pronounced trends. Paradoxically, the end of the century will be characterized by an expansion in the goods at the disposal of the economy and a growing degree of dissatisfaction with the use that is being made of these goods.

2. Is it relevant to examine the economy, income distribution and poverty from the standpoint of human rights? Is it valid for the human rights system to raise issues in the world of economics, or are these two radically differentiated spheres? This has been the core of debate in the three years of this Special Rapporteur's work on the relationship between human rights and income distribution at both international and national levels.

3. In the last few years a growing interest has been perceived, among economists as well as social leaders and politicians, in understanding the effects and impacts of economic measures on social life, on politics, and especially on culture, human beings and their values. There is a growing perception that the way in which wealth (and poverty) are distributed within a society, or between different societies, fundamentally affects the values, social coexistence and life in common among people. Income distribution has effects in the first place on the economy and economic growth, but at the same time, in a deeper way, has moral, social and ethical implications. Societies are being deeply moved by the maldistribution of income. Internal rifts are occurring within them and forming seeds of violence, hatred and rancour. ^{3/}

^{2/} The term "downsizing" has been coined to denote the changing size of enterprises, outsourcing of their secondary production processes and services and internal organizational adjustments.

^{3/} "Ideological fashion and real modernity are no longer as only a few years ago an ultraliberalism that would get rid of all regulation by the State or wild capitalism only able to restructure enterprises through brutal and repeated rounds of mass redundancies... For merely cynical reasons which have nothing to do with morality, or solidarity, or ideology, the experts became

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Social life has deteriorated in spite of the global increase in wealth. People are perceiving that instead of improving, their living conditions are getting worse.

4. Human rights, as a code of values juridically accepted at the international level, can legitimately signal the ethically acceptable or unacceptable limits of economic policy measures and economic functioning. The human rights system has the legal obligation to observe the economic system and to signal the greater or lesser impact it is having in meeting the needs of individual human beings and on their enjoyment of essential civil, economic, social, political and cultural rights.

B. Background to the study

5. The rights of people to enjoyment of fair and decent economic conditions are enshrined in all instruments of international law, starting with the Universal Declaration of Human Rights. These rights are clearly set out especially in the international covenants and documents adopted by countries at the international and regional levels. Hence a consensus has increasingly been reached that poor income distribution and its accompanying effects of destitution and poverty constitute a permanent violation of individual human rights.

6. The Universal Declaration of Human Rights devoted its article 23 to, inter alia, the right to work, the right to just and favourable conditions of work, the right to equal pay for equal work and the right to just and favourable remuneration. It should also be recalled that the General Conference of the International Labour Organization adopted, at its thirty-fourth session, Convention No. 100 concerning Equal Remuneration for Men and Women Workers for Work of Equal Value. Like the Universal Declaration, The International Covenant on Economic, Social and Cultural Rights contains several provisions concerning the economic development of peoples and individuals. Article 6 on the right to work, article 7 on just and favourable conditions of work, article 8 on the right to form and join trade unions, article 9 on the right to social security and, in particular, article 11 on the right to an adequate standard of living, can be directly related to income distribution. Finally, the Declaration on the Right to Development provides, in its article 8.1, that States should undertake, at national level, all necessary measures for the realization of the right to development and shall ensure, inter alia, equality of opportunity for all in their access to basic resources, education, health services, food, housing, employment and the fair distribution of income.

7. The activities related to economic and social rights, and especially the right to fair distribution of income, cannot be considered at the national level

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alarmed as they calculated the social costs of economic or financial reforms. Fashionable modernity today consists in absorbing the social costs of restructuring in order to prevent outbreaks of strikes and unrest or a deterioration of the social fabric where the poor and the rich feel they do not belong to the same nation". Jean Daniel, Director of the weekly Nouvel Observateur, translated in El País, 30 May 1997.

exclusively. In this connection, the requirement foreseen in the Universal Declaration, in its article 28, of an international order in which human rights for all can be fully realized, should be evoked. Likewise, the Declaration on the Right to Development provides, in its article 3, that States have the primary responsibility for the creation of national and international conditions favourable to the realization of the right to development and that States have the duty to cooperate with each other in ensuring development and eliminating obstacles to development. Moreover, in article 4, the Declaration provides that States have the duty to take steps, individually and collectively, to formulate international development policies with a view to facilitating the full realization of the right to development.

8. The final report which we here present analyses the economic data from the standpoint of these juridical principles fully endorsed by and applicable in the international community. These principles established in international documents constitute the theoretical background for analysis of income distribution and human rights.

C. Mandate of the Sub-Commission

9. In this spirit, the Sub-Commission on Prevention of Discrimination and Protection of Minorities, deeply alarmed at the widening gap between the rich and the poor, adopted resolution 1993/40 in which it entrusted Mr. A. Eide with the task of producing a preparatory document on the relationship between the enjoyment of human rights, in particular economic, social and cultural rights, and income distribution, at both national and international levels. The resolution of the Sub-Commission was endorsed by Commission on Human Rights resolution 1994/20. As requested, Mr. Eide submitted his document (E/CN.4/Sub/1994/21) at the forty-sixth session of the Sub-Commission in 1994.

10. In the beginning of his report, Mr. Eide clarified that the term "income distribution" was used in a neutral sense, as a measurement of the way in which income is distributed in a given society. Noting that the current, severe maldistribution of income prevents millions from enjoying economic and social rights and that gross inequalities prevent social harmony, Mr. Eide added that the focus of his report was rather on the impact of different structures of international and national income distribution on human rights. In the last part of the report, Mr. Eide noted that:

"It is generally recognized and has been repeatedly stated in the studies and reports quoted in this preparatory document that what should be achieved is greater equality of opportunity, not necessarily equality of outcome. Equality of opportunity means the provision of equal chances, from the outset of life, for human beings to manage their own future, and of arrangements to eliminate the negative consequences of accidental misfortune, such as serious illness, disability and structural unemployment... (para 91)."

11. Elsewhere in the document Mr. Eide presented a review of selected international instruments, studies addressing income distribution, the work of the Working Group on the Right to Development, relevant United Nations reports, the activities of the international financial institutions and the context at that time.

12. With the work of Mr. Eide in mind, the Sub-Commission on Prevention of Discrimination and Protection of Minorities decided, in its resolution 1994/40, subsequently endorsed by Commission on Human Rights decision 1995/105, to appoint Mr. José Bengoa as Special Rapporteur on the relationship between the enjoyment of human rights, in particular economic, social and cultural rights, both at national and international levels, and income distribution. The Special Rapporteur was requested to take into account, in particular, the previous reports on extreme poverty, the right to education and matters related to the right to development. In its decision 1995/105, the Commission also approved the request to the Special Rapporteur to submit a preliminary report to the Sub-Commission at its forty-seventh session, a progress report at its forty-eighth session and a final report at its forty-ninth session. The present report is therefore submitted in compliance with the Commission's decision 1995/105.

D. Brief review of the previous reports on income distribution and human rights

13. In the preliminary report (E/CN.4/Sub.2/1995/14) to the Sub-Commission, the Special Rapporteur underlined that income distribution, both internationally and nationally, was the principal indicator of social integration and of the fulfilment of minimum requirements in respect of economic, social and cultural rights, enabling human beings to live in society. The object of this first report, presented in August 1995, was to analyse the relationship between economic, social and cultural rights, income distribution, and equality of opportunities. It was argued that it was necessary to rethink economic, social and cultural rights in an increasingly globalized and intercommunicating world. It was asserted that greater communication between societies would bring growing homogenization of accepted and acceptable "standards" and levels of realization of human rights in general and of economic, social and cultural rights in particular. The first report also contained the guidelines for the future work: (a) analysis of the various forms of economic, political, social and cultural discrimination; (b) analysis of the causes of the gap between rich and poor countries in relation to income distribution; (c) the development of indicators enabling a more detailed analysis of income distribution at the national level; and (d) the search for means of determining how most effectively to strengthen activities in respect of the realization of economic, social and cultural rights. In addition to these elements, the Special Rapporteur willingly endorsed the request of the Sub-Commission to devote special attention to matters related to extreme poverty, the right to development and the right to education.

14. At the forty-eighth session of the Sub-Commission in 1996, the Special Rapporteur presented a progress report (E/CN.4/Sub.2/1996/14) which was divided into five parts. In the Introduction, the report stated that income distribution was an appropriate indicator of the degree of equity or lack of it in a society and of the presence or absence of opportunities within a sector of the population or a geographical area. It was a tool for monitoring the fulfilment of human rights. Part one of the report analysed the issues of income distribution at the international level, and international cooperation and the gap between rich and poor countries. Part two elaborated the issue of income distribution at the national level and included some comparative analysis. Part three investigated the relationship between education, discrimination and income distribution. In this second report, presented in

August 1996, an attempt was made to operationalize the concepts of income distribution by presenting data and elaborating an indicator to permit fuller and more complex understanding of the phenomenon. The main objective was to establish different types of income distribution in different types of countries and conditions of development and to relate the question of income distribution, both theoretically and statistically, to poverty. This second report gave an important empirical basis for realization of the analysis in the third report.

15. In the conclusion, the report expanded upon the concept of "equal opportunities" which permits a practical understanding of the relationship between the phenomenon of discrimination and the rights of individuals. In this connection, the Special Rapporteur stated that:

"...The absence of equal opportunities leads to manifest discrimination and a violation of the rights of individuals. Negative income distribution is one of the forms taken by the lack of equal opportunities, both internationally and nationally" (para. 34).

"...An equal opportunities policy should involve adequate and additional measures to ensure that the group or sector suffering from discrimination enjoys conditions similar to those of the rest of the population... This duty lies with the State, and this is fully stipulated in international instruments" (para. 36).

"...In the sphere of international cooperation, there is a need for the clearer application of the concept of 'equal opportunities'. In many cases international cooperation has been paternalistic in nature, aims at solving a small or large passing problem, but does not tackle the underlying causes..." (para. 38).

16. The object of this third report is to relate the process of globalization of the economy and societies that is occurring at the end of the XX century with the concomitant phenomena of inequity in the distribution of wealth and sharp increases in the phenomenon of poverty. The final objective of the report is to signal the challenges to the human rights system posed by the process of globalization, especially in the field of economic, social and cultural rights.

E. Definitions and perspectives of the report

17. The distribution of wealth in societies can be understood in many modes and manners. The form of distribution of land ownership, for example of agricultural land, was for a long time one of the main criteria for understanding equity or inequity in a given society. Income distribution in agrarian or traditional societies should be analysed principally by the way in which ownership is distributed, and, consequently, by the use of systems of personal services. 4/ In modern societies, especially at the end of the last

4/ It is for this reason that the indicator of monetary income distribution normally used in national accounts systems and which we employ here is not appropriate for these types of societies. When there are precapitalist systems with a broad range of "personal services" (incomes in labour, in kind,

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century, it was considered that "ownership of the means of production" was the principal phenomenon and that it affected all aspects of social life and culture. Today it is not uncommonly considered that the most important factor is the way in which cultural goods, knowledge and information are distributed, and the informal networks of relationships between people. Obviously these discussions are absolutely beyond the practical scope of a study on income distribution and human rights. It is for this reason that a definition permitting a much more neutral and operational understanding of the concept has been adopted. By income distribution at the international level we mean the way in which the overall product (the sum of physical production, services and trade) is distributed between the countries of a region or a group of selected countries. Income distribution at the national level in a given society would consist in the way in which the overall product produced by the national economy within a year is distributed between the households that comprise and compose that society. Accumulated capital, properties and knowledge acquired are only taken into account in this operational definition in so far as they represent actual income for the families or households that constitute the unit of analysis.

18. The method of understanding distribution and income at the international level consists simply in comparing a country's annual product with the global product of the region or group of countries in question. At the national level household incomes will determine how the national product is distributed internally. This operational method, used by consensus to measure income distribution, obviously has many limitations in that it does not account for a large number of production, trading and service activities that are not included in the "national accounts" or "household accounts". Semilegal, clandestine or simply illegal and criminal lucrative activities remain outside these accounting systems and in some cases represent substantial shares of the income of both countries and individuals. Some maintain that household income accounting is simpler at the lowest income levels, while at the higher levels it is more difficult because of the complexity and tax avoidance. Thus there are many methodologists who maintain that all income distribution figures are thereby devalued and should be still more concentrated. 5/

4/(...continued)

and concealed systems of labour contracting) it is not possible to measure with these indicators.

5/ There is an important distinction in some countries between income distribution "before tax" and "after tax". This is only valid in the countries that have developed discipline over a long period in the payment of direct taxes; this, as we know, is very poor in some third world countries and the tax avoidance regime is very high. On the theory and methodology of income distribution, see two recent compilations that give a picture of the current state of discussion of these questions: Vania Boroah, Growth, Unemployment, Distribution and Government: Essays on Current Economic Issues, New York, Saint Martin Press, 1996 and The Distribution of Economic Welfare in the 1980s, Peter Gottschalk, Bjorn A Gustaffson and Edward Palmer (eds.), Cambridge (England) and New York, Cambridge University Press, 1997. A review of economic theories on the subject in: Gordon Tullock, Economics of Income Distribution, Boston, (continued...)

19. This operational manner of conceptualizing distribution enables it to be understood whether income is more or less concentrated in a society. The population, the indicator most often used, is divided for this purpose into five quintiles (20% of the population) and various comparisons are made between them. The most common is comparison of the top quintile with the bottom quintile. Because of its neutral and relatively objective nature, most specialists regard this as "a good indicator of equity" and it is currently the one most widely used. ^{6/} Because of its non-value and neutral character, it is a "relative indicator" valid only for comparative analyses. This indicator is best used with historical series in the same country. Hence it is not possible to say what is the "ideal income distribution", since this will depend on the type of society, the nature of its historical development, and a very complex series of factors.

20. While it is not possible to determine "ideal" income distribution, it is possible to signal when situations are occurring where the high concentration of wealth in a few hands is producing devastating social effects with consequences so serious as to threaten the "social integration" of the society in question, or at the international level, the balance of a given region. ^{7/} "Intolerable

^{5/}(...continued)

Kluwer Academic, 1997. References and studies on income distribution in the United States of America have increased in recent years showing the importance this subject has acquired: Herman P. Miller, Income Distribution in the United States. Prepared for and in cooperation with the Social Science Research Council, Washington, U.S. Department of Commerce, Bureau of the Census, 1966. Although the same household methodology is applied, figures are given on more complex aspects which cannot be dealt with in this general report. See a critical study in: Sheldon Danziger and Peter Gottschalk, America Unequal, New York, Russell Sage Foundation, Cambridge, Harvard University Press, 1995 and in: Joel Nelson, Post-industrial Capitalism: Exploring Economic Inequality in America, Thousand Oaks Sage Publications, 1995; Poverty, Inequality, and the Future of Social Policy: Western States in the New World Order, Katherine McFate, Roger Lawson and William Julius Wilson (eds.), New York, Russell Sage Foundation, 1995. The subject of income distribution is closely linked with poverty and changes in social policies, see discussions in the American Congress in: "Recent changes in the poverty rate and distribution of income". Hearing before the Subcommittee on Human Resources of the Committee on Ways and Means, United States House of Representatives, One Hundred Second Congress, Second Session, 10 September 1992, Washington.

^{6/} In economics the "Gini coefficient" is used, a mathematical indicator of dispersal that is much more precise than the 20:20 ratio, but more difficult to read for the non-specialized general public. See World Bank, World Development Indicators, 1997, p.54 et seq.

^{7/} Professor Johan Galtung presents, as he says, "a provocative and pessimistic picture of the human condition at the end of the twentieth century", seeing that many societies are in the processes of becoming destructured and decultured which he calls "atomie" and "anomie". He proposes a model to understand the processes of rupture and disintegration occurring as consequences
(continued...)

levels of income inequality" 8/ would arise if there were systematic growth of inequity in a society (or at the international level) with a crude concentration of product in the hands of one group or sector of society. From a human rights perspective, it is generally felt that this would entail violation of the economic, social and cultural rights of the population, incurring permanent discrimination and violation of the fundamental rights of individuals.

21. The overall body of codified documents on human rights is thus the best criterion by which to determine when an economic situation becomes a situation of permanent and persistent violation of the rights of individuals, of their economic, social and cultural rights. Both in theory and in practice, it is possible to establish a distinction between economic behaviour and its evaluation in the perspective of human rights. A particular economy could show positive macroeconomic indicators, for example, growth, inflation, national accounts, exports, etc., notwithstanding the existence within it of "intolerable levels of income inequality", very high degrees of discrimination, social exclusion, and poverty. The rights of individuals established in codified human rights documents thus constitute the only general criterion for the establishment of minimum acceptable or unacceptable standards in economic and social matters at the national and international levels.

22. Income distribution in a society is directly related to existing levels of poverty. This question was analysed in detail in the second report. There are societies in which poverty is generalized and indicators of income distribution, as is logical, show figures of low concentration. In these societies of an agrarian nature, the income indicator is not sufficiently appropriate to cover the concentration of agricultural ownership, and inequality in matters not directly connected with the distribution of product through systems of monetary income. 9/ In the industrialized and industrializing societies, however, income concentration always brings relative poverty in the lower group or

7/(...continued)

of economic readjustments and maladjustments. See: Johan Galtung, "On the social costs of modernization, social disintegration, atomie/anomie and social development" in Development and Change, vol. 27, pp. 379-413. Oxford, Institute of Social Studies, Blackwell Publishers, 1996.

8/ Eide Report, E/CN.4/Sub.2/1994/21, para. 21.

9/ This is usually a fallacious argument brought out to support the claim that there is no direct relationship between income distribution and poverty. Taken to the absurd, it could be argued that while primitive societies are very poor they are also very egalitarian. No-one with an adequate sense of history finds it strange to realize that inequity of incomes is a substantial part of the development of modern and industrial societies. Nowhere in this report will a "romantic" and naive vision of equality and inequality be found. We agree with Galbraith when he says that in order to talk of inequality and equality it is necessary to be clear that absolute economic equality does not exist and is not desirable and that it is not sound anthropology to make a critique of inequality and poverty from the supposedly romantic viewpoint of "total equity". See John K. Galbraith, The Good Society: The Humane Agenda. Houghton Mifflin Company, Boston, 1996, p. 60.

groups. It has been shown statistically that when there are very sharp increases in income concentration and inequality, immediate outbreaks of poverty occur. This is what has happened in many of the developed countries in the last decade as a consequence of adjustment processes and cutbacks in social programmes. ^{10/} Income concentration leaves one sector of society in a relatively defenceless situation and thus in growing conditions of poverty. Very often these are the same people as the groups subject to most discrimination in societies, either by reason of their sex (women heads of households), age (old people and children), ethnic group (migrants, indigenous peoples and minorities), race or other derived forms of discrimination such as education. Poverty and destitution are understood in this report as phenomena related and in some cases concomitant with poor international and national income distribution.

I. GLOBALIZATION AND INCOME DISTRIBUTION

23. Economic, social and cultural rights should be discussed against the background of the processes of globalization that have been occurring in the world in the last ten years. This is both a theoretical and political challenge as these rights were formulated in a context that was totally different economically and above all politically: the post-war period, the cold war, the existence of a socialist bloc and of competitive capitalism based on strong nation states. Present-day trends in economics and society worldwide are entirely different and require a rethinking of economic, social and cultural rights. As well as postulating their juridical validity and applicability, we therefore signal the need to relocate these rights in the current processes of change.

A. "Globalization" at the periphery and concentration in centres

24. It is a commonplace to say that the dominant process in the world today is "globalization". There has been a fantastic increase in world trade in the last few years as a consequence of the economic opening of countries with centrally planned economies and third world countries, and the growth of communications. Nevertheless, the concept of "globalization" takes on different meanings depending on the country's position in the world. What for some countries on the periphery of world capitalism is an opening and acquisition of new economic, social and cultural models, is for others, in the centres of world capitalism, the reaffirmation and export of their own economic, social, political and cultural values. The same word, used in different places, acquires radically different meanings. We therefore believe it necessary to spell out the concept of globalization. The sociologist Anthony Giddens writes:

"The word globalization appears almost everywhere these days but thus far has not been well conceptualized. As I would understand it here, globalization does not simply refer to the intensifying of world economic competition. Globalization implies a complicated set of processes

^{10/} See a detailed analysis for Europe in: "Europe united or divided?", in: York Bradshaw and Michael Wallace, Global Inequalities, Indiana University, Pine Forge Press, 1996, p. 121 et seq.

operating in several arenas besides the economic. If one wanted to take a technological fix upon the intensifying of globalization in recent years, it would be the point at which a global satellite communication system was first established. From that point onwards instantaneous communication became possible from any part of the globe to any other. The advent of instantaneous communication both altered the nature of local experience and served to establish novel institutions. The creation of twenty-four-hour money markets, for instance, a phenomenon that has an impact upon almost all the world's population, became possible only because of the immediacy of satellite communication.

"Globalization is not just an 'out there' phenomenon. It refers not only to the emergence of large-scale world systems, but to transformations in the very texture of everyday life. It is an 'in here' phenomenon, affecting even intimacies of personal identity. To live in a world where the image of Nelson Mandela is more familiar than the face of one's next door neighbour is to move in quite different contexts of social action from those that prevailed previously". 11/

25. Globalization is thus a cultural phenomenon that is bringing different national and local communities closer and establishing new standards or expectations among populations. Inequalities at the local level are compared, analysed and observed on all sides, at least on television screens and increasingly on Internet terminals. Certainly this simultaneity in the cognizance of events, mass dissemination of practices and customs, and homogenization of consumption do not prevent commission of the most brutal violations of individual human rights. Before the astonished eyes of a silent public, we have in recent years been able to "see" the gravest violations of the right to life for ethnic and racial motives, death from hunger in atrocious conditions of thousands upon thousands of children and people of all ages, in short, atrocities that in the old world with less intercommunication only came to be known many years later through books and distant reports, and were sometimes never known at all by the public. Mutual responsibility among people and criteria for co-responsibility between States and governments necessarily change with these global processes. When certain levels of violence and denial of human rights are reached, the international community finds itself compelled to act. The criteria for international action, for intervention by international forces, governmental or nongovernmental, in national situations are changing ever more rapidly from day to day and may change even more in the next few years. 12/ The implications of globalization for human rights are

11/ Anthony Guiddens, The Hague, "Affluence, poverty and the idea of a post scarcity society" in: Development and Change, vol. 27, No. 2, April 1996, pp. 365-378.

12/ We refer both to the "peacekeeping forces" of the United Nations, increasingly widely present and in demand in the world, and to the presence of regional governmental forces which is also on the increase, and especially to the intervention in specific situations and certain countries of intergovernmental or nongovernmental organizations such as UNICEF, UNHCR, the International Committee of the Red Cross, Médecins du Monde, Médecins sans

(continued...)

profound and have probably not yet been adequately taken on board by the international community. Many of the public's criticisms of the international system of human rights and the United Nations system of protection, security and response to conflict have to do with this contradiction between their expectations of these bodies in an increasingly global world and the actual capacity they have for response to the new situations.

B. Concentration in economic centres

26. Globalization is producing a twofold process of concentration in the centres of greatest capitalist development. On the one hand the world's wealth is increasing and becoming concentrated in them, while on the other hand internal inequity is growing, concentrating the wealth in just a few hands. The concern of the last four or five years about the dangers of poor income distribution in the countries of the "developed" centres is growing and becoming one of the core themes of debate and public discussion. Economists and political and social thinkers of all tendencies are drawing attention to this dangerous phenomenon. Lester C. Thurow, a professor at the Massachusetts Institute of Technology (MIT), says "No country that has experienced a military defeat or a revolution has probably ever had such a generalized increase in inequality as has occurred in the United States in the last two decades. Never before have Americans seen their real wages reduced when gross per capita product is increasing". ^{13/} John K. Galbraith, a professor at Harvard, writes:

"There is the inescapable fact that the modern market economy accords wealth and distributes income in highly unequal, socially adverse and also functionally damaging fashion. In the United States, now the extreme case among the major industrial countries, the Federal Reserve, an impeccable source, said that the top 1 per cent of American households owned nearly 40 per cent of the nation's wealth in 1989, the top 20 per cent more than 80 per cent. The lowest earning 20 per cent of Americans had 5.7 per cent. By 1992, the top 5 per cent were getting an estimated 18 per cent, a share that in recent years has become substantially larger, as that of those in the poorest brackets has been diminishing. This, the good society cannot accept. Nor can it accept intellectually the justification, more precisely the contrivance, that defends this inequality." ^{14/}

^{12/} (...continued)

Frontières, and many others that have served at certain times as a kind of new international task force of an intergovernmental and nongovernmental character in national territory. There is no doubt that this is a concomitant effect of globalization.

^{13/} Lester C. Thurow, The Future of Capitalism: How Today's Economic Forces Shape Tomorrow's World, William Morrow and Company, New York, 1996, p. 42.

^{14/} Galbraith, op. cit., p. 60.

Preoccupation with this question is common in the United Kingdom and the countries of the Organisation for Economic Co-operation and Development (OECD). "As we now know, income inequality did not continue to fall. In the United States the Gini coefficient of inequality for household incomes rose between 1968 and 1992 by three and a half percentage points... This is a significant increase, but if you want to see a big increase then it is to the United Kingdom that one has to look. Between 1977 and 1991, the United Kingdom Gini coefficient rose by 10 percentage points." ^{15/}

27. For many of the developed countries, the processes of globalization have enabled them to embark on a new cycle of expansion in economic terms and a new cycle of worldwide spreading of their values and customs. The opening of the borders of countries living in a planned economy system and countries with protected economies has meant a substantial increase in room for manoeuvre by transnational companies and corporations with links with developing countries. This increase in levels of economic growth, product and goods available has not produced the consequence of a greater spread of wealth but, on the contrary, greater economic concentration, both in the developed countries and in the upper classes of the population in countries linked in with the new globalized activities. This twofold process of concentration is one of the characteristics of the current process of globalization.

C. Globalization and the delocation of production

28. A shared diagnosis of the sense of many of the international and local changes is gradually being reached. One recent study notes:

"Around the world, countries have been fighting each other to see which can offer the international corporations the cheapest labour and the lowest social and environmental costs. Their jobs are being moved to places with lower wages, lower business taxes and greater freedom to pollute. Their employees are using the argument of "international competition" to knock down wages, fees, taxes and environmental protection and to replace high quality jobs with temporary, part time, insecure, low quality jobs. Their governments are justifying budget cuts in education,

^{15/} A. B. Atkinson, "Bringing income distribution in from the cold", The Economic Journal, March 1997, p. 301. The author analyses all the OECD countries, showing that the trend is general, with a few exceptions especially among the Scandinavian and Mediterranean countries (Spain and Italy especially). For reasons of space we cannot comment on the whole bibliography on this question as it is very extensive. The European Centre for Work and Society in Maastricht and the European Institute of Education and Social Policy (Paris) have carried out research which is expressed in different studies on the situation of England, Sweden, Hungary, Holland and France. See: The Crisis of Distribution in European Welfare States, Jean-Pierre Jallade (ed.), Stoke-on-Trent (UK), Trentham Books, 1988. Many of the assertions made in the report are due to these and other readings which will be cited later.

health and other services as necessary elements to reduce taxes on business, as the only way of preserving jobs." 16/

29. In many countries the closure of industrial plant is being debated. This is the case in Europe for the automobile industry. "Competition has destroyed us" say the entrepreneurs. There is no market for cars, say the economists. The workers say that the factories are being transferred to the third world. The entrepreneurs say this not so. The Thompson factory making RCA Victor televisions and other types of household appliances in the mid-west of the United States has said that it will be closing its factories from 1998 and setting up an assembly plant in Ciudad Juárez, in Mexico, because they could not compete with Mexican wage levels. The levels of wages and social benefits attained by Thompson workers in middle America are possibly among the highest in the United States and in the world. This is a skilled, permanent and relatively old labour force (average of 18 years at the factory), almost entirely "white North American" and male, details of race and gender which it is not superfluous to mention since lower wages generally coincide with a change in the ethnic composition and gender of the labour force. 17/ There is an increasing number of cases and discussion in all the newspapers.

30. Something very similar is occurring with environmental costs. There are countries in Europe, the United States, Canada and other developed countries that have established stringent environmental regulations in the last thirty years, mainly as result of the action of "green" movements and a new environmental culture giving priority emphasis to "conservation", even above "production". In many of these States forestry, for example, is strictly controlled and the environmental costs to enterprises are very high, since they must replace the trees they cut down, are prohibited from felling certain species, etc. Delocation of these activities to countries without much environmental control has proceeded persistently in recent years, with drastic environmental consequences in the countries at the periphery. Mass deforestation in the Amazon jungle, eastern Asia and many other parts of the world originates in this practice. 18/

16/ Jeremy Brecher and Tim Costello, Global Village or Global Pillage: Economic Reconstruction from the Bottom Up. Boston, South End Press, 1994, p. 3.

17/ See Herald Times, 27 February 1997, special number on the Thompson closure. Thurow says that when Asians write about the welfare of European workers they cannot believe it: five weeks of holidays, one month's bonus at Christmas, etc., etc. There is no doubt that the achievements of the European trade unions through the XX century have been a very high level of wages and above all conditions of work and security that are perhaps the highest in the world. The total costs of these workers are very high indeed. See Thurow, op. cit., pp. 167 and 168.

18/ See, on the case of the Philippines and the rain forest, Brecher and Costello, op. cit., p. 25, and, in the same book, campaigns against deforestation in the Amazon and other measures by international civil society to protect native woodlands, p. 91 et seq.

31. Globalization is also arousing fear in broad sectors of the developed countries, especially among their working classes. The uncontrolled expansion of neoliberalism is going to give rise to a new wave of controls. Everywhere the new refrain is to be heard: "the corporations have to be controlled". The apparent dissolution of nation states in the economic sphere, the apparent absence of barriers to capital and its uncontrolled international mobility are beginning to produce multiple reactions that can be observed with increasing frequency throughout the world. The globalization of trade union demonstrations is without doubt a new process that was unknown in the postwar period of national social movements. Pan-European mobilization of industrial workers in defence of levels of employment and standards of living constitute a globalized response to the globalization of the economy and of work. This is the first response to a growing globalization of standards of work, wages, workers' rights and, ultimately, the standardization of economic, social and cultural rights.

D. Globalization: threats and opportunities at the periphery

32. Globalization is throwing up new threats and opportunities in the countries at the periphery of central capitalism. The threat of falling into a situation of exclusion and opportunities to establish new ways of integrating with the globalized economic system. The countries at intermediate levels of development, especially, are seeing the possibility of integrating into worldwide networks of production and world trade. ^{19/} Analysts say that

^{19/} In an interesting study commissioned by the OECD, Jeffrey Williamson compares the periods of growth and globalization at the end of the last century and the end of this century and their consequences for Europe. He points out many coincidences between what he calls the first period of globalization, at the end of the nineteenth century, and the second period of globalization, at the end of the twentieth century. In the first period the highly populated and agrarian countries of Europe, principally Italy and the Mediterranean countries, fell into a spiral of poverty, and countries at the periphery which had agricultural potential, such as Argentina, Australia and Canada, and the United States itself, grew richer. The end of the last century was a time of tremendous globalization thanks to public transport, railways, steamers, cable and telegraph. A growing integration of trade took place, especially in commodities. The effect of cereals, especially wheat, from the "New World" in liquidating European agriculture is well known. This author says that something similar could occur in this second globalization, that the countries at the periphery that insert adequately will improve their living conditions and internal equity. "It would appear that the end of the nineteenth and the end of the twentieth centuries have more in common than just globalization and convergence. Globalization also appears to have caused the same impact on income distribution as it did at the end of the last century. Inequality would grow in the rich countries and decrease or fall in the poor countries". According to Woods, the same thing would happen at the end of the twentieth century. The author recalls that globalization culminated in the 1914-1918 war and that after that came a period of withdrawal between the wars and in the fifties. The author analyses the relationship then between globalization and migration and observes that, although that relationship does exist today (as will be seen in the relevant paragraph), it is altogether different and could

(continued...)

these possibilities for integration of countries in the diverse peripheral areas of the world depend on a variety of factors, the chief of which are: (a) their previous level of development; (b) whether they have "educated" and skilled workers for modern industrial activities; (c) the political ability of the State and government leaders to maintain acceptable levels of stability, order and long-term investment prospects. ^{20/} It would depend on these factors whether the integration of these countries into the global economy became integration into an advantageous or "virtuous globalization" or a kind of "perverse globalization". ^{21/} Integration into a process of virtuous globalization would make it possible to use the necessary processes of industrial, productive and financial delocation and a multipolar system of trade with advantages for the peripheral countries. This trend is being seen in almost all continents although it is still not possible to determine with certainty, as there are some countries that have attracted multinational capital with virtuous arguments and many others, at times the majority, that have attracted it with perverse arguments: the cheapness of labour, deregulation of labour markets and absence of environmental regulation.

33. For the countries of the third world, decisions are relatively clear regarding the way in which they can try to integrate themselves into the main perspectives of world capitalism in the next twenty years. There is, lamentably, a strong and dominant tendency for international capital to try to lodge itself in places where there are low wages, low conditions of social security, and low additional operating costs for businesses, in which levels of environmental protection are decisive. It should be added that financial capital will also lodge in those countries or places which offer and deliver greater speculative flexibility. Thus, in crude but very realistic terms, there would appear to be two means of insertion into the world in the process of

^{19/} (...continued)

change the meaning of globalization. In any case this is a type of historical analysis that is of interest and raises a thought-provoking hypothesis about the possibilities for advantageous insertion by countries at the periphery in this globalization. See: Jeffrey G. Williamson, Globalization and Inequality Then and Now: the Late 19th and Late 20th Centuries Compared, Cambridge (MA), National Bureau of Economic Research, Working Papers Series, 1996.

^{20/} The incredible economic growth in the Republic of Ireland in the last ten years is an important example, as this is one of the countries at the periphery of Europe. Obviously this case cannot be generalized to the countries of the third world. Nevertheless, there are countries in Asia, Africa and Latin America that are seeking new and advantageous insertion into the globalized economy. The Economist concludes in a tone that is perhaps too triumphalist: "Two things Ireland does show beyond a doubt. First, small countries on the fringe of rich trading areas can prosper mightily. The curse of the periphery is a myth. Second, "globalisation", taken at the flood, is the fastest course to wealth." "Ireland shines", The Economist, 17 May 1997, p. 15.

^{21/} By "perverse globalization" we mean globalization based on over-exploitation of the labour force and the pillaging of natural resources and destruction of the environment in the peripheral countries, which are integrating thanks to the absence of protection. See note 23 below.

growing globalization: offering the best market conditions or stating demands. In the first case attractive sympathy can be expected from the corporations which will see better conditions for gains and in the second case much tougher negotiations will be needed and will probably not meet with indulgence from the corporations, especially from their often invasive and powerful bureaucracies, that dominate international decisions of this type. 22/

34. International regulation of the globalization process is very limited and boils down to the decisions and negotiations of GATT (Uruguay Round) to establish rules for international trade, principally the rules of the International Monetary Fund which sets minimum levels of financial controls, fiscal balances and limits on State interventionism in internationalized markets. The development of increasingly expeditious mechanisms of control in matters of environment and labour is of utmost importance and should help to stimulate and foster the development of the virtuous circuit of globalization rather than a vicious or perverse circuit leading to greater inequities. The Earth Summit in Rio de Janeiro and the World Summit of Social Development in Copenhagen were two events of transcendental importance in this direction, although for many observers it is not yet possible to perceive their practical results.

E. Globalization, "flexibilization", and the diminishing power of the State

35. The new period of expansion of the world economy or "end of century globalization" has had two stages: the period of "structural adjustments", in the eighties, that was able to prepare the peripheral economies to open to global trade, and secondly, the expansion of globalization proper that began at the start of the nineties. The principal consequence of the recent processes of globalization in the peripheral countries has consisted in the diminishing ability of States to control the economic development of their countries. The aim of the "structural adjustment" processes was to prepare the way for the globalization stage. The results have been the opening of economies to the world market, the internationalization of financial systems, the reduction of customs barriers, the privatization of State-owned enterprises and the diminishing, in some cases only a deterioration, of State bureaucracy.

36. In many cases globalization has also meant a deregulation or "flexibilization" of labour markets. This word much used at the moment often consists in the elimination of labour laws preventing the dismissal of workers, wage reductions, changes in pensions and social security systems, recourse to temporary labour, subcontracting, and outsourcing of tasks essential to

22/ The role of the international bureaucracies both in wage-setting and income concentration and in decisions on the location of production is determinant. This has been analysed by John K. Galbraith in his book The Culture of Contentment, Boston, 1992. French translation La république des satisfaits : la culture du contentement aux États-Unis, Ed. du Seuil, Paris, 1993.

enterprises. 23/ This is leading to very marked wage differentials depending on the type of enterprise and the technical demands of jobs. It involves less interference by the State in the control of working conditions, wages and social security for workers. In many cases States in the peripheral countries have made a great effort to place their national economies, human and natural resources, at the disposal of the forces and needs of the international market. 24/

37. The moderating function fulfilled by States in setting progressive taxation on wealth has been diminished by the adjustment processes of the last decade. Almost all States have reduced taxes and especially in the peripheral countries there has been a reduction in the conditions and prerequisites for the installation of international corporations on their territories. 25/ The active functions which the State accomplished in regulating relations between capital and labour have, in many countries, also been reduced or simply modified. There are not a few cases in which workers are released to developing deregulated labour markets, arbitrary treatment at the hands of employment agencies, and in many cases a system of neo-slavery has developed in which workers have no protection whatsoever. As is well known, these new forms of

23/ The Special Rapporteur has received numerous communications about specific cases of this kind in third world countries. One of the main subjects has been "maquila" or clothing factories. A full report on "Mandarin International" in El Salvador has been submitted by FIAN in Heidelberg, Germany: "Mandarin is a large Maquila factory producing clothing by contract orders placed by subcontractors, who then supply major retailers around the world. The word 'maquila' comes from the Spanish verb 'maquilar' which means 'to assemble'." (FIAN report, p. 4). Other NGOs have sent us material on the situation of "maquila ships", that is, extraterritorial factories, where workers live and work without breaks in the day for long periods. There is no doubt that these types of activities are bordering on "new forms of slavery" and constitute flagrant violations of workers' rights and individual human rights. These and many other cases are examples of what we call here "perverse globalization".

24/ The professors at Indiana University are stupefied to see how globalization is bringing rupture, especially in the continent of Africa. See Bradshaw and Wallace, op. cit. One of the theses explored in the book is the need of the economic centres in the unprotected economic system to move to regions with cheaper labour for production. This trend towards the cheapening of labour will provoke a kind of "perverse industrialization" in the third world, increasing the employed labour force but also increasing its conditions of exploitation and poverty. The situation of exploitation that occurred during the capitalist expansion of the nineteenth century would be reproduced in a "globalized" way, with the difference that it would happen today in a delocalized manner.

25/ See the Report of the Secretary-General on the impact of the activities and working methods of transnational corporations on the full enjoyment of all human rights, in particular economic, social and cultural rights and the right to development, bearing in mind existing guidelines, rules and standards relating to the subject-matter (E/CN.4/Sub.2/1996/12).

deregulation especially affect the most vulnerable sectors of society, and women in particular. 26/ Thus the question is not naive, and needs once again to be asked: does the changing function of the State also change its responsibility? Does globalization perhaps involve alteration or dissolution of the responsibility of States? The answer to this question would appear very clear in the general theory of human rights and particularly in economic, social and cultural rights: the responsibility of the State is the sine qua non for the fulfilment of economic, social and cultural rights, as established in the Covenant, where it states, inter alia, that "The States Parties will take the appropriate steps to ensure the realization of this right, recognizing to this effect the essential importance of international cooperation based on free consent". 27/

F. Globalization and cultural identity

38. The diminishing power of the State and its capacity for control in economic and not infrequently also political matters is producing a shift of individual identity and allegiances to the ground of religion, ethnicity and culture. Economic markets, markets for goods, systems for interchange of technology and knowledge are very rapidly becoming global. Cultures, however, are taking a different and sometimes opposite path. As cultures open up to knowledge and exchanges often on a worldwide scale, reaction is occurring with the strengthening of individual identities. Professor Anthony Guiddens writes: "Globalization invades local contexts of action but does not destroy them; on the contrary, new forms of cultural autonomy, demand for local cultural identity and self-expression are causally bound up with the globalization process". 28/ The resurgence of identities is a phenomenon concomitant with that of globalization. As in all aspects, it has brought a salutary affirmation of cultural identities, together with a tendency to exacerbation of

26/ The "rurbanization" of the countryside in many countries of Latin America consists in the appearance of settlements or slums at cross roads in agricultural export areas. The precariousness of those settlements, job insecurity, likelihood of hard labour, concentration of poverty and destitution, are some of the characteristics of these new forms of slavery. See Sara Lara Flores, "Flexibility in the rural labour market" in: Revista Mexicana de Sociología, Year LIV, No. 1, January-March 1992, pp. 29-49. In the same number, see: H. Carton de Graumont, "Reflections on the labour market in rural Latin America". See Jimena Valdés S., Mujer, trabajo y medio ambiente. Los nudos de la modernización agraria [Women, Work and Environment. The Hubs of Agrarian Modernization], Editorial Centro de Estudios y Desarrollo de la Mujer, Santiago, 1992. See also the ILO report on "Conditions of employment and work on plantations, including the provision of basic needs, with special reference to seasonal workers, women and young workers", Geneva, International Labour Office, 1989.

27/ Article 11 of the Covenant on Economic, Social and Cultural Rights. This subject was dealt with in the first report by the Special Rapporteur (E/CN.4/Sub.2/1995/14).

28/ Guiddens, op. cit., p. 367.

ethnic/nationalist forces and discourse, with the dramatic consequences that we have seen in diverse parts of the world in recent years.

39. If there is a massive process of "perverse globalization" such as we have described in this report, it would most probably result in an increase in movements reaffirming "elemental identities". The sequelae of conflicts and threats to peace are easy to understand. Social disintegration, in its twofold sense of "atomie" and "anomie", in the language used by Johan Galtung, is one of the main effects of globalization as a "wild" uncontrolled process of mobility in economic factors, communications and exchanges and the subsequent destruction and restructuring of life systems. Atomie would be the process of social disintegration or "atomization" and "anomie" would be the process of "cultural disintegration", the disintegration of broader cultural concepts that make democratic social life possible. The upsurge of racial, ethnic/religious or simply local violence is related to the appearance of these disintegrating processes in both the social and cultural spheres.

40. Defending human rights involves defending basic forms of social integration. The policies and measures that lead to social disintegration run counter to the Universal Declaration of Human Rights, and in particular to the International Covenant on Civil and Political Rights, which maintains, especially in its third, fourth and fifth preambular paragraphs, that it is inherent in the rights of free human beings that they "enjoy civil and political freedom and freedom from fear and want" and that this "can only be achieved if conditions are created whereby everyone may enjoy his civil and political rights, as well as his economic, social and cultural rights". ^{29/} The system for the prevention of human rights violations at the international and regional level must bear in mind that the application of certain policies, especially policies resulting in high income concentration, high levels of redundancy and poverty, will bring as consequences the social disintegration (atomie) and cultural disintegration (anomie) of society, with serious consequences for the rights of individuals.

41. Local communities play a very important role in the process of resistance and defence against atomization and anomization provoked by uncontrolled globalization. Human rights, and especially economic, social and cultural rights, are a central criterion for determining when violations of individual rights are produced, especially in the sociocultural sphere. The rights of communities and local societies are defended, in this new perspective, by the human rights system. ^{30/}

^{29/} International Covenant on Civil and Political Rights, third preambular paragraph.

^{30/} The rights of persons belonging to linguistic, ethnic or national minorities and the rights of indigenous peoples are very important in this sphere. It is not by chance that in the period of globalization we are analysing here, these are the rights in greatest focus. See Gudmundur Alfredsson and Goran Melander, A Compilation of Minority Rights Standards. A Selection of Texts from International and Regional Human Rights Instruments and Other Documents. Lund, Raoul Wallenberg Institute, 1997. See also the report of

G. "Top down" and "bottom up" globalization 31/

42. So far we have talked about "top down globalization". This is the satellite globalization described by Guiddens, the expansion of trade in goods and especially the expansion of "symbolic goods", consumer images, experiences of happiness, ideas about beauty, trademarks of products and objects representing symbols of integration into the modern world. The globalization of communications systems, trading systems and political systems are what we call "top down globalization".

43. Together with the globalization of communications, commerce and power, the globalization of ideas about "good living" or "good life" or the "humane agenda" has also begun. 32/ Human rights are at the centre of this perspective which we call "bottom up globalization". The international human rights system is the broadest set of standards and contractual commitments in existence, the most universal consensus attained by humanity for the defence of human beings. In "bottom up globalization" an active part is played by the organizations of civil society whose explicit objective is to defend the universality and indivisibility of human rights. This is the point of departure for the new and increasingly globalized human agenda.

44. The "globalization of standards" is the most important consequence of "bottom up" globalization. Local communities as well as being subject to the impacts of international trade are also feeling the impacts of new conceptions of justice and equity that are being intercommunicated throughout the world. This means that old ways of life that were bearable in isolation and in

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the seminar organized by the International Commission of Jurists in Bolivia in 1996 on the economic, social and cultural rights of indigenous peoples. Geneva, 1996.

31/ Formulation by Xavier Gorostiaga, Rector of the Universidad Centro Americana (UCA) in Nicaragua, at the International Meeting on the New Economic Order and Development: an Ethical Challenge for the XXI Century, organized by the International Development Ethics Association and the Centre for Studies of Contemporary Reality of the University of Christian Humanism, Santiago, 25-30 October 1995.

32/ For the concept of "good life", see: David Crocker, "Global civil ethics and a global society?" Report to the International Meeting on the New Economic Order and Development: an Ethical Challenge for the XXI Century. For the concept of the "new human agenda" see, inter alia, the recent book by John Kenneth Galbraith, The Good Society: The Humane Agenda, cited earlier. For the concept of human development, reference may be made to the annual reports of the United Nations Development Programme, and from a theoretical angle, to Manfred Max Neef, Development on a Human Scale, Santiago, 1987, and Denis Goulet, "Human Development. True Wealth and Real Economic Efficiency", in: Cristianismo y Sociedad, Quito, Year XXXIII, Nos. 125 and 126, 1995, pp. 37-53.

ignorance of alternatives are beginning to be called into question locally. ^{33/} Workers in the most diverse places in the world are understanding and comparing the working conditions at other latitudes. The mobility of labour produced by communications makes displacement or expectations of displacement possible, at least in theory. Globalization thus leads to globalization of needs, levels of expectation, conditions of security, and consumption needs. Unacceptable levels that are increasingly shared are being established as a result of the globalization of expectations for standards of living and work.

II. INCOME DISTRIBUTION AT THE INTERNATIONAL AND NATIONAL LEVELS

45. The objective of the second report was to furnish a series of specialized data on income distribution at the international and national levels to a wider public, and in this report we shall therefore only summarize the conclusions of this empirical exercise. Several indicators were devised, the main ones being one to establish the distribution of global wealth between countries at the international level and the other to analyse the domestic behaviour of income distribution within each country. ^{34/}

A. Income distribution at the international level

46. Studies and analysis of the gap separating the rich from the poor countries have become commonplace and simply reading the data is very often of no interest, becoming a statistical repetition of a fact ostensibly already well known. In the preliminary report submitted to the Sub-commission it was attempted to construct a global indicator separating the countries of the world into five groups or quintiles. This indicator permitted understanding of the growth of wealth and its distribution and is presented in Table 1 (see Annex). ^{35/}

47. The growth of the world economy over the last 35 years has been enormous, measured only by GDP, which as we know falls far short of measuring wealth in its entirety. Informal business and speculative activities are left out, especially clandestine and illegal activities, which, regrettably, as we know, today make up a substantial share of globalized economic activity. Nevertheless in 35 years it has risen from 1.1 to 24.9 thousand million dollars. If Table 1 is examined, it will be seen that the quintiles representing the poorest countries have not developed proportionally but on the contrary have increased

^{33/} See the preliminary report (E/CN.4/Sub.2/1995/14) in which we dealt in detail with this question.

^{34/} The data provided by the World Bank, IMF and other international organizations are not always up to date. In the case of income distribution most of the data are for the year 1993 and 1994. In particular the data on the OECD countries have not been updated in the report of the World Bank for 1996.

^{35/} The World Bank reports published in 1996 are similar to those for 1995, generally giving figures for 1994, so that there is no change. In these grosser figures time periods of more than one year are required.

their wealth in a much smaller proportion. This means that the poor countries are comparatively poorer today than 35 years ago. The one fifth poorest countries achieved absolute growth in the sixties and have stagnated (in absolute terms) in the last 15 years. This explains why their share has declined in a more than alarming manner, from 0.21 to 0.07%.

48. Although they saw the repercussions of the crisis of the late sixties and early eighties, the rich countries have recovered their share of 92% of international GDP. The countries at an intermediate level of development, the second quintile, recovered in the period 1990-1994, with figures corroborating the point made earlier about the "opportunities" for countries of intermediate growth at the periphery to integrate into the "wave of globalization".

B. Diminishing international cooperation

49. The growing breach between the rich and poor countries has not been met with the response of an equivalent flow of international solidarity. Trends since the end of the cold war have been towards diminishing international cooperation or relating it to processes of opening up new markets for the products of donor countries or programmes "moored" to the purchase of inputs in the country of origin. In a recent study of this matter it was reported: "Although the richest countries on earth have set a goal of giving 0.7 per cent (less than 1 per cent) of their GNP for Third World development, only four countries have actually done so. Again, as shown in the Figure, they are Denmark, Norway, Sweden and the Netherlands. The United States, by contrast, is at the bottom of the list, giving less than 0.2 per cent of its GNP to other countries in the form of foreign aid". ^{36/} The targets set at the World

^{36/} Bradshaw and Wallace, op. cit., p. 141. The following table is taken from a graphic in this book:

Foreign aid as a percentage of GNP, 1993

Denmark	0.97
Norway	0.89
Sweden	0.82
Netherlands	0.80
France	0.61
Canada	0.41
Belgium	0.38
Germany	0.37
Finland	0.37
Luxembourg	0.35
Portugal	0.32
Switzerland	0.31
Australia	0.31
Austria	0.30
Japan	0.29
United Kingdom	0.28
Italy	0.27
Spain	0.23

(continued...)

Summit for Social Development in Copenhagen have not been met and there has been very little political will to fulfill them in practice. ^{37/} In many countries the cooperation budget has been persistently "cut" over recent years and numerous organizations have disappeared, including foundations that were devoted to development and solidarity with countries of the third world. ^{38/}

50. Studies on international cooperation point to the decrease in funds for the development of self-sustaining projects in the underdeveloped countries. Since the end of the cold war international cooperation policies have been changing continually, often leaving projects half finished, changing priorities in regard to recipient countries, types of projects, etc. Projects to create their own human resources and local institutional capacities in the poor countries have been greatly weakened and in many cases enormous distrust has been manifest among local managers. ^{39/} There is a perceived emphasis on methodological aspects of project formulation, follow-up and evaluation which seek to replace the absence of clear guidelines and aims in cooperation. Pressure for "concrete" results is observed and behavioural models are sought among "profit-making" enterprises without there necessarily being any understanding of the intrinsic characteristics of the processes of human and community development, which by definition cover a more prolonged timespan.

51. International cooperation very often concentrates its activities on a country that is in difficulties or conflict and once a minimal solution to these has been found, or they are no longer "in fashion", the country is dropped as it no longer "qualifies" in terms of criteria for emergencies, generally

^{36/} (...continued)

New Zealand	0.22
Ireland	0.18
United States	0.15.

^{37/} See Social Watch Group, Follow-up report on the Social Summit. Third World Institute, Montevideo, March 1997. See also "Distribution of net aid by Development Assistance Committee countries, World Development Indicators, World Bank, 1997, pp. 310 et seq.

^{38/} See Human Development Report 1996, United Nations Development Programme, New York, Oxford University Press, 1996. An illustrative case is the reduction in activities and budget of the Inter-American Foundation (IAF), dependent on the United States Congress, since the end of the cold war. As an example of this trend the International Association of Voluntary Agencies, with its headquarters in Geneva and more than a hundred member organizations with long experience, has decided to close its offices in Geneva for lack of resources to maintain them.

^{39/} Mariano Valderrama. "International cooperation since the cold war". Study commissioned by the Latin American Association of Development Organizations (ALOP), Lima, 1996.

arbitrarily adopted. 40/ In so far as international cooperation has no rules or criteria relating or linked with the right to development or the principles of economic, social and cultural rights, decisions are made by specialists and technical experts or by a changing public. 41/ A rethinking of international cooperation is needed with its principal objective being to create local and autonomous bases for sustainable and self-sustained development. 42/

52. As international cooperation for development and local capacity building has weakened, there has been a perceived increase in humanitarian activity in response to crisis situations. It is worrying to note the reappearance of "paternalistic" views of development aid, consisting in giving priority only or principally to reactive responses to dramatic situations, mass famines or the sequelae of wars and displacements. Emergency solidarity is absolutely indispensable at certain times of crisis and uniquely dramatic situations and has to be valued, but there must also be insistence on the permanent needs for cooperation and collaboration by the developed countries with the third world. As the international development agencies with most experience in the field are suffering financial crisis, agencies devoted to charitable or philanthropic work are beginning to appear in many parts of the world as the model for international cooperation.

40/ The pursuit of "visible" results is a fantasy plaguing the present phase of international cooperation, which suffers from the trauma of being accused of being "inefficient" by the economic and political actors. In the face of the historical and long term problems of poverty and underdevelopment, "visible" and short term results are often contradictory and detrimental to a vision that conceives of development as a self-sustaining process, that can only be long term.

41/ One among many cases is that of Haiti, which has had a relevant presence in recent years and since the establishment of democracy has received a trickle of cooperation. The President of the United States offered the sum of 10 million dollars at the last interview with the President of Haiti at the meeting with the presidents of the Caribbean countries. Interview with the Prime Minister, Rodney Smart, in the daily newspaper La Epoca, Santiago, 12 May 1997.

42/ Several communications were sent to the Special Rapporteur analysing this subject already covered in the second report. It would appear that the subject gives rise to deep concern. The Department of Humanitarian Affairs of the United Nations sent us comments indicating that the guidelines with which it is working coincide with the report: "From the perspective of natural disaster reduction, humanitarian assistance should not be limited to short-term and ephemeral actions, which maintain a perpetual dependence of the victims on the outside, even though relief activities are essential to help the communities concerned to emerge from crises and ensure their recovery". It goes on to stress the importance of preventive actions, and points to the relationship that exists between conditions of vulnerability and respect for human rights as a factor of central importance. Letter from Mr. Martin Griffiths, Director of the Geneva Office of the Department of Humanitarian Affairs, 23 April 1997.

53. International cooperation played a political and strategic role during the cold war. The powers made over resources to the third world and to development agencies which helped to maintain ties of political loyalty in a world of polar division. Very often international cooperation was used as a weapon in the play of political balance. Since the cold war ended, international cooperation has entered a profound crisis. The Copenhagen Conference or World Summit for Social Development did not succeed in signing up a commitment on this issue, leaving it to States to freely determine whether they wished to increase or decrease the volume of cooperation, the methodology to be applied, financial decisions on debt reduction and their response to other initiatives suggested to the participating States. The main practical conclusion of this final report, as will be seen in the last part, is the need for a Social Forum in which these aspects are discussed. Although there are many instances in which international cooperation is debated, there is none that can be perceived as bringing together all the main actors, that is, States, the specialized agencies of the United Nations and agencies specialized in development and cooperation. An open forum for debate would undoubtedly enable more constructive proposals to be built up in this fundamental domain.

54. Analysis of income distribution at the international level cannot be separated from study of the mechanisms of income "redistribution" at the international level, of which international cooperation is the most important inasmuch as it expresses determination by the developed States to collaborate in building a higher level of equity at the international level. The agreements on "globalization" that are now constantly being signed ought to include this dimension of economic relations. The free trade treaties do not as a rule include a special protocol on international cooperation. Nor is there any determination in multilateral agreements to establish special mechanisms of protection, support and back-up to the poorest countries, a sort of "affirmative action" that would enable them to initiate a self-sustaining process of development. 43/ The main conclusion reached in this study on income distribution at the international level is to signal the need to include cooperation agreements tied to commercial agreements on free trade and economic and commercial cooperation, whether at the international, regional or bilateral level.

43/ Very often a general condition of "freedom of trade" is imposed, which benefits big firms against small countries. Discussion of bananas from the small English and French speaking countries of the Caribbean is an example. Their quotas in the European Economic Community, which for the Community do not represent a very high percentage of consumption, enable them to sustain an economy based on small banana growers. Pressure for the abolition of these quotas would lead to the big firms such as Dole and Standard Fruit cornering the market and leaving the small Caribbean producers outside. A United States general engaged in the fight against drugs pointed out the looming danger that these growers, seeing the banana market displaced, might be "tempted" to produce drugs, for which their fields are very well suited. He put it quite graphically that "they are transferring the problem to me". New York Times, 5, 6 and 7 May 1997.

C. Income distribution at the national level

55. The national economies of countries at the centre and at the periphery, or in the third world, have recovered in the first five years of the nineties, in almost all cases showing positive figures. The expansion of markets to the former planned and/or protected economy countries has meant an enormous stimulus to international trade. But this economic growth has not been accompanied by significant changes in the internal composition of income distribution despite the fact that the general level of employment has improved in countries such as the United States.

56. Table 2 (see Annex) is a correction of the indicator constructed in the 1996 report (E/CN.4/Sub.2/1996/14, Table 9), "Ranking of countries by income distribution pattern". For this table we have tried to obtain the most recent data possible in order to comprehend more fully the impacts of the processes of globalization on income distribution. ^{44/} As it is easy to perceive, the trends shown in the previous report are reaffirmed: (a) poor countries with mainly agrarian economies which have a low level of per capita income and not very concentrated income distribution; (b) developed countries with a high level of per capita income and deterioration of their formerly good levels of income distribution; (c) a group of developing or underdeveloped countries with low per capita income and bad income distribution; (d) countries on the periphery of Europe (Spain, Portugal, Ireland and others), with substantial rates of growth and that have managed to maintain or improve their conditions of income distribution; (e) countries in south-east Asia with a high level of per capita growth that are improving their internal income distribution.

57. The conclusion from the data presented here is that there is not one single trend in internal income distribution. Although it is signalled in this report that the predominant trend accompanying the globalization of economies is towards the concentration of income, it can be seen that there are numerous special cases in a position to depart from this trend, which shows and clearly expresses the role that is and can be played by the State in these matters. The economic policy measures each State adopts determine the type of insertion of their national economy in relation to the international economy. The table and the data show very clearly that the role of the State's economic policy and action continues to be decisive.

1. Income distribution in the former centralized economy countries

58. The situation of the former centralized economy countries is a special case of income concentration and regressive distribution of wealth in a short period of time. Although the data only go back to 1993, the trends to be seen

^{44/} During the discussion of item 8 of the agenda of the forty-eighth session, the Subcommittee member Mr. Kalifa, an expert from Egypt, made several very interesting comments on the report pointing out that the most recent data might possibly show that the impacts of globalization were producing greater inequality at the national level and suggested that we should give the most recent possible data in our final report. Regrettably the data published by the World Bank in 1996 are for 1993 or earlier.

are extremely pronounced. ^{45/} "In Russia, where inequality rose sharply, the top quintile in 1993 received fully 20 percentage points more of total income than the top quintile in 1988, mainly because of an explosive increase in the relative share of the very richest but also because of increasing wage dispersion. Income dispersion between sectors in Russia has also risen. The energy, banking and related sectors all made major gains, with the biggest losers being agricultural workers, followed by workers in culture, education and health." ^{46/}

2. Income distribution in the countries of Latin America

59. The 1996 Economic Commission for Latin America and the Caribbean (ECLAC) report on Latin America comments gloomily as follows: "Hopes that recovery to previous levels of production or the start of a new process of growth would enable the deterioration in income distribution that took place in the eighties to be reversed have not so far been confirmed in practice. In effect, it emerges from the trends in the first half of the nineties that the dynamism of economic growth achieved in various countries of the region was not translated into a reduction in income concentration". ^{47/}

60. Almost all the countries of Latin America show substantial recovery in macroeconomic figures in the last six years. The so-called "lost decade" of the eighties has been left behind in almost all economies. Structural changes are proceeding rapidly, with the privatization of enterprises, opening to international markets, and growth of exports. At the same time there is visible stagnation, and in some cases an increase in the internal inequalities in societies. With the honourable exceptions of Costa Rica and Uruguay, all countries have seen a rise in their indicators of inequality.

^{45/} The United Nations University carried out a study entitled "Project on poverty, income distribution and well-being during the transition". Communication by the Rector, Haitor de Souza, 24 April 1997.

^{46/} World Bank, World Development Report 1996, p. 64. Hungary is the country that has changed least in its income distribution pattern (up 2 points on the Gini coefficient between 1987-88 and 1993), followed by Slovenia (up 4), Poland (up 5), Czech Republic (8), Bulgaria (11), Estonia (16) and Russia (between 14 and 24 according to different estimates). The 1996 World Bank Report gives 1 Gini for 1993 in China of 38 higher than all the countries mentioned earlier except Estonia and Russia. Viet Nam is reported to have had 34 in 1993. There are no indicators for comparison in these last two cases. Ibid., Table 4.1 Inequality and poverty in selected transition economies. Figure 4.1 Gini coefficient in eight transition economies.

^{47/} See ECLAC, Social Panorama of Latin America, 1996. The box says: "High levels of inequality and rigidity in income distribution are characteristics that persist in the region in the nineties". The report, published in February 1997, is devoted in good measure to the problem of income distribution and poverty in Latin America. The report contains very detailed tables on this situation in the Latin American countries, which we shall not reproduce here for that reason.

61. Growing inequality in a context of accelerated economic growth is becoming the principal problem of "governability" in the countries of Latin America. Democracy is being eroded for lack of correspondence between political principles at the economic and social levels. The enjoyment of civil and political rights achieved with the advent of democracies in all the Latin American countries is not matched by corresponding enjoyment of economic, social and cultural rights by the population as a whole. ^{48/} Latin America has one of the highest levels of inequality in income distribution in the world, as can be seen from Table 2.

D. The inequitable distribution of knowledge

62. The distribution of knowledge gives us an indication of how the economic and social differences of today will be reproduced in future generations. Still more so if we consider the unequal distribution of scientific research, experimentation with technology and theoretical thinking. If income distribution is generally poor at both the international and national level, then it has to be said that the distribution of knowledge is still worse. If the ratio between the bottom and top quintile at the international level is 0.007 to 92.40 for income distribution, rough calculations based on UNESCO data show that spending per student on education is 0.001 for the bottom quintile in relation to a 95.5 concentration in the rich countries.

63. In so far as wealth in the modern world is closely related to knowledge, the distribution of educational resources is fundamental to an understanding of income distribution in future generations. In 1992 the percentage of students of an age to study at universities (or colleges) in the poor countries was 2.78% in the poor countries, 11.29% in the middle income countries and 39.45% in the rich countries. The same gap may be observed in secondary education. In this case the poor and middle income countries have more boys than girls in education, while in the rich countries there are now more girls than boys. ^{49/}

^{48/} In 1996 the Summit Meeting of Presidents of the Iberoamerican Countries was held in Viña del Mar, Chile. The subject of the meeting was "challenges of governability" in the emerging democracies. In many interventions poverty and poor income distribution were seen as the potential element for greater destabilizing capacity. Regrettably the Summit did not reach any consensus on the subject of the domestic economies of countries.

^{49/} In the poor countries 20.63% of boys and 17.39% of girls are in secondary or middle school education. In the middle income countries the figures are 37.48% of boys and 30.64% of girls. In the rich countries the corresponding figures are 89.55% of boys and 95.86% of girls. In these countries a level approaching 100% are entering basic or primary and secondary or middle school education, both generally corresponding to 10 or 12 years of study. The Clinton administration's target is 100% of young people at College level by the end of the decade, that is, in four-year basic university studies. Data from Global Inequalities, based on data from UNESCO and the World Bank, op. cit., pp. 22 and 23.

64. Article 13 of the International Covenant on Economic, Social and Cultural Rights clearly sets out the duties of States in regard to education and "the right of everyone to education". Cultural rights in a globalized world are much more complex and the challenges are greater. Failure to satisfy the right to education amounts in practice to the denial of all other rights for the future of that individual or human group. Lack of education at a relatively high level will in the near future become a basic impediment to the participation of that individual or group of people in the economic, social and cultural life of the contemporary world. Cuts in education budgets, especially on account of budget increases in other areas, such as the military, are in this sense a violation of cultural rights. 50/

III. INCOME DISTRIBUTION, EXCLUSION, POVERTY AND DISCRIMINATION

65. Income distribution at the international and national levels is closely bound up with the processes of exclusion, poverty and discrimination. Exclusion is a concept that according to many authors would appear to accompany the new stage of globalization. 51/ A territorial exclusion occurs in the first place. Although there are parts of the world that are integrating into the new globalized situation, there are also many other regions and parts of the world that are excluded, that is, whose level of integration is decreasing in this new phase of world capitalist development. Secondly, the same process is occurring within each country, where regions that were formerly adequately integrated with the rest of society are being subjected by these new processes to a downward spiral towards exclusion. Thirdly, exclusion is occurring at the level of social groups discriminated against, especially for reasons of gender, ethnic origin or race. Within societies there are social groups that find themselves excluded and in which income differentiation implies a gradual disintegration of the ties by which they were bound to the rest of society. There are minority groups and indigenous peoples for whom the processes of globalization have led to severely accentuated phenomena of exclusion. 52/

50/ As was shown in the second report, in the poorer countries, at the same time as military budgets are increasing the budget for education is very often declining. Responsibility for violation of cultural rights, especially those of children, is shared by the countries selling arms, very often on the basis of credits, and the countries buying them.

51/ Martine Xiberras, Les théories de l'exclusion. Pour une construction de l'imaginaire de la déviance, Preface by Julien Freund, Paris, Méridiens Klinck-Sieck, 1993.

52/ See Voices of the Earth, Victor Kaisepe (ed.), Amsterdam, 1996, in which clear expression is given to the growing situation of exclusion of many indigenous peoples in the world. Very often exclusion permits discussion of concepts of autonomy. See Indigenous peoples: experiences with self-government. Proceedings of the Seminar on Arrangements for Self-Determination by Indigenous Peoples within National States, Amsterdam, 10 and 11 February 1994. Law Faculty, University of Amsterdam, W. J. Assies and A. J. Hoekema (eds.), International Work Group for Indigenous Affairs document No. 76. Published by IWGIA and University of Amsterdam, Copenhagen, 1994.

66. In this final report on income distribution we wish to draw attention to the consequences of a situation of permanent inequity over time: poor income distribution at the national and international levels gives rise to permanent situations of social exclusion. Exclusion is deeper and more definitive than poverty. Exclusion is the absence of participation, segregation, neglect and being forgotten. The existence of sectors that are excluded at the international and national levels leads to the development of some very particular feelings on the part of the sectors that are not excluded. The philosopher Julien Freund remarks that: "It would appear that exclusion is now part of normality in societies, and does not arouse any special moral or political conscience but instead evokes pity in the guise of the virtue of charity". ^{53/} The consequence of exclusion, as has been seen in the case of international cooperation, is this sentiment of pity. "It may be that the spread of many forms of exclusion, and pseudoexclusion, in society is a sign of the times", Freund concludes.

A. Is the Third World still there?

67. International income distribution figures show that there are some parts of the world that are being left in a position of exclusion, marginality and poverty. There are some economic and social developments that are becoming clichés, only too well known and in the end "so boring that nobody talks about them". In an article published in several journals and books, John Toye asks: Is the Third World still there? He begins with an anecdote which runs roughly as follows. One summer, when they had nothing more interesting to do, the sub-editors at the London Times decided to see who could think of the most boring headline for the famous newspaper. The most boring headline agreed by consensus by all the bored editors was "Slight earthquake in Chile. Little damage." The article went on to point out that in order to be newsworthy and cease to be boring the event would need to exceed a certain threshold at which it would become a disaster that would move the phlegmatic editors of the London daily. ^{54/} It is obvious that Chileans who every so often suffer earthquakes of varying degrees of intensity do not find the question at all

^{53/} Xiberras, op. cit., Preface, p. 12. Analysing the question of ties of solidarity, Martine Xiberras signals the following principles: "The nature of the social relationship is founded on cooperation and service as opposed to attitudes of rejection and mistrust. Solidarity is constructed and described according to the presence of the following criteria: the sacrifice for which individuals are prepared to suffer and hope for the same feeling in return. The sense of loyalty, creating a feeling of mutual trust animating members of the group ... and the same definition of what is sacred, through which all members of the group recognize the same "sacred". (p. 136). (Translation J. B.) Human rights are the only "sacred" common to all human beings and the basis for international solidarity, as we said in the first report, quoting the German philosopher Jurgen Habermas.

^{54/} John Toye, "Is the Third World still there?" in: Development Studies: An Introduction through Selected Readings, Ron Ayres (ed.), Greenwich University Press, 1995, pp. 35-49. The article does not refer to Chile but is only an anecdote to illustrate the view held in the first world of the third world.

boring. Much the same is true for the issue of third world poverty. "There are many poor in the Third World" would be an equally boring summary and there would probably be no editor who would wish to see his papers left unsold in the kiosks.

68. The question of the third world and the inequalities that we have seen are increasing in the previous chapter is in danger of becoming an issue that only interests public opinion and governments when it exceeds a certain "dramatic threshold" which causes it to be reported as "news" in the press and television and to become the focus of solidarity campaigns which soon evaporate. A framework is thus taking shape of "permanent and persistent violations" of the economic, social and cultural rights of a substantial and increasing majority of the world's population, threatening the solidarity of international humanitarian principles and human rights. The permanent exclusion of parts of the third world leads to exclusion of social sectors and groups.

B. Income distribution and mass movements of population

69. The developed countries and their populations tend to see the problem of the gap between the rich countries and poor countries only in terms of the migrants arriving at their borders in thousands and millions each day. "In the 1980s, 7.9 million people legally moved into the United States and 7.3 million people legally moved into the rest of the first world. In 1992 there were estimated to be 3.4 million illegal aliens living in the United States. In the 1990s immigration accelerated and by 1995, 9 percent of all Americans had been born abroad, with a very uneven spread among the states, including 25% of all Californians not native born. Within the third world, millions of people are moving from somewhat poorer to somewhat richer countries - more than 2 million per year in Asia alone. In addition, there are 23 million refugees in the world. Overall, about 100 million live outside of the country where they were born." 55/

70. The unfavourable income distribution situation at the international level is giving rise to mass movements of populations and unleashing in the receiving countries complex interethnic processes, segregation of minorities and problems of migrant workers without papers. The most complex processes now being experienced by developed societies, including new forms of racism, are a direct consequence of deregulated economic activities at the international level and of an inequitable and "wild" process of globalization.

55/ Thurow, op. cit., pp. 92 and 93. The author says that if one considers a peasant in a Mexican village, California is not very far away and he has nothing to lose in trying to get to a place where per capita income is thirty times higher. The worst that could happen is that he might be sent back at the border. What is happening with Mexico, Central America, the Caribbean and the United States, is also occurring between North Africa and Europe and to a lesser extent in Asia. Thurow signals the danger that third world "pockets" may form within the developed countries and could be a way of avoiding the displacement and delocalization that is being brought by globalization.

C. Income distribution, minorities and indigenous peoples

71. Income distribution generally affects national and ethnic minorities and indigenous peoples in an adverse manner. In many countries the poorest sector of the population coincides with these social and ethnic groups that experience discrimination. Professors at Indiana University say: "Ethnic minorities historically have faced economic discrimination, political repression, and violence. The table presents data on the number of minorities at risk around the world. To be included a minority group must (1) be relatively large (usually exceeding 100,000) and (2) experience economic and/or political discrimination. Look carefully at the last column of the table. The percentage of the world population considered a minority at risk is about 17 per cent. It is not a coincidence that countries with a large population at risk also have substantial conflict, some violent and some not violent". ^{56/}

Minority Populations at Risk, 1990

Region	Total (millions)	Per cent of total
Western and Japan	84,023	10.8
Eastern Europe and former Soviet Union	153,658	35.0
Asia	273,064	10.2
North Africa and Middle East	118,205	28.8
Sub-Saharan Africa	237,023	42.3
Latin America	49,371	11.0
Total	915,344	17.3

72. In Latin America, the indigenous peoples are the most discriminated against and are thus the poorest sector of the population. The table gives a conservative figure of 11% of the population since it uses official and restrictive definitions of "indigenous peoples", distinguishing them from peasant populations. The question of income distribution is closely bound up with the ethnic discrimination suffered by the indigenous peoples.

73. In the western democracies, the United States and Japan, the figure of 10.8% refers generally to the ethnic minorities produced by migration and migrant workers, who are often, or generally, among the poorest sectors of the population and usually experience strong discrimination in work, income, education and culture. ^{57/} It needs to be remembered that millions of

^{56/} Bradshaw and Wallace, op. cit., p. 36.

^{57/} For example, liberalization of the system of admission to higher education in the universities of the United States, and the composition of ethnic quotas, have had negative repercussions on enrolment by students of

(continued...)

illegal migrants in the developed countries have jobs, although they are generally paid less and do not have social security. John K. Galbraith maintains that these migrants are an economic necessity for the developed countries. 58/

D. Income distribution and gender discrimination

74. Income distribution is commonly measured by household and thus conceals the situation of discrimination generally encountered by women. Recent studies have shown that women "heads of household" are among those in situations of greatest disadvantage and poverty. In the third world the households in which the woman is the only source of support for the children amount to nearly 20%. There are countries in Latin America in which this situation is growing very rapidly, possibly related to the internationalization of economies we are analysing in this report. 59/

75. The "feminization" of poverty is a new phenomenon observed in most of the countries of the third world that is beginning to be detected in developed countries as well. The figures show more women than men in the poorest strata of the population. At the same time, greater demands are made on women in a "flexible" or deregulated labour market and they are paid less. Seasonal work in the exporting agricultural economies in the third world is generally done by women. Jobs in the garment industry, growing day by day, are mainly done by women. As we have already said, the "delocation" of industry very often means the "feminization" of labour, as a way of bringing down costs. There are situations of open violation of the rights of women, the rights of workers, economic, social and cultural rights, and thus of human rights. 60/

57/ (...continued)

Hispanic or African American origin. "At the University of California Berkeley law school, 14 blacks have been accepted in a class of 792, down from 75 last year. The decline among Hispanic students at each law school is similar". Bans of racial preferences cut minority admissions, International Herald Tribune, Tuesday, 20 May 1997, p. 1. Affirmative discrimination and admission quotas are the only measures that can ensure equality of access to education and culture during the period of balancing between the minority groups experiencing discrimination.

58/ Galbraith, The Culture of Contentment, op. cit., pp. 138 et seq.

59/ See ECLAC, op. cit., chap. V, which gives data for Argentina, Chile, Honduras, Mexico, Paraguay, Uruguay and Venezuela, comparing the years 1990 and 1994. In Mexico, for example, there were 1,050,600 children in households with only one spouse, who as is well known is usually the woman responsible for looking after the children. In 1994 this figure had risen to 1,132,700 of whom 806,000 did not have their basic needs met.

60/ See Sara Lara Flores, Jimena Valdés et al., Temporeras y jornaleras en América Latina [Women Temporary Workers and Day Labourers in Latin America], Mexico, Nueva Sociedad, 1995.

E. The role and responsibility of States in regard to exclusion

76. In his book on the "human agenda", Galbraith posits the close relationship between the system of income distribution and the political system. "The distribution of income in the modern economy derives ultimately from the distribution of power. This in turn is both a cause and a consequence of the way income is shared. Power serves the acquisition of income; income accords power over the pecuniary reward of others. The good society recognizes and seeks to respond to this traditional closed circle". He adds the need for the State and society to take the situation of the poorest sectors in hand: "Its response is the empowerment and public protection of the powerless..." 61/

77. The State is responsible for keeping society united and dominating trends towards dispersal, and in particular for preventing the existence of situations of exclusion. Concentration of income is one of the most disruptive and divisive aspects in a society. The role of the State is fundamental in the development of policies to curb the tendency towards inequitable income distribution as far as possible. The argument most often heard in international fora is that there are no possible measures or alternative systems in the face of the process of globalization now under way. The responsibility of States is thus delimited, signalling that they "can't do anything else". It is for this reason that a critique from the standpoint of economic, social and cultural rights is pertinent in the present situation: the responsibility of States is inescapable where there are violations of fundamental rights, and exclusion is the most fundamental violation of all.

F. The silence of the innocent: the rights of the poor and excluded and economic, social and cultural rights in a globalized world

78. "Reducing poverty is the fundamental objective of economic development". This is the bald opening statement of the World Bank's World Development Report for 1990. 62/ Today it has become almost a platitude in spite of the impotence and drama inherent in it. The objective of this final report has been to show and understand that economic growth today in most countries of the world is proceeding with very poor distribution of wealth, that in their private lives people are not able to understand, and very often do not believe the figures that are put to them. There is a gap between the behaviour of the economy as a

61/ Galbraith, The Good Society, op. cit., p. 65.

62/ World Bank, "What do we know about the poor?" World Development Report 1990, Oxford University Press, 1990, p. 24. Regrettably this study shows that the World Bank still knows very little about the poor and does not offer any solutions to do away with poverty. In a division of labour with the IMF, it has "squeezed" the poor countries so much that social and even political consequences are now being seen. See "Their Africa problem and ours", New York Times Magazine, 2 March 1997, in which some bare-boned reflections are made on the situation of Africa and the responsibilities of the developed countries.

whole and people's individual economies, a question which national and international policy has never addressed. 63/

79. This growing contradiction between growth and distribution is having disastrous consequences in many countries and regions of the world. In nations apparently united, where the process of globalized economic growth without distribution is "demolishing" long-standing loyalties, the "integration mechanisms" laboriously built up are being torn apart. The rupture of systems of social integration is leaving chunks of pre-existing roots of religion, ethnic identity and race, or generally, as we have seen, a strange and violent combination of these. If culture is incapable of supplying the mortar to cement the past to the future, the present becomes deeply confusing and disturbing for people.

80. While it is true that the issue of economic, social and cultural rights arose in a cold war context, those rights have today received new and renewed validation. During the cold war they served to establish a balance between the civil and political rights supposedly respected by the western democracies as against the economic, social and cultural rights on which emphasis was laid by the countries with centralized planning. Once this polarity was broken, it was simply a question of the relationship between the possessors of wealth and the dispossessed, those suffering discrimination and exclusion. The question of economic, social and cultural rights is metamorphosing into the question of the rights of the poor and excluded in a globalized world. Developing these rights is to prevent silence from taking hold among the innocent. 64/

IV. CONCLUSIONS AND RECOMMENDATIONS

A. Conclusions and suggestions

81. Income distribution, in conclusion, has shown itself to be a good indicator of the degree of equity or inequity of a given economy and society at the international and at the national levels. Poor income distribution constitutes a specific type of discrimination that very often aggregates with other discrimination, such as ethnic, gender, race, or minorities who experience discrimination for diverse reasons of language, religion or customs, and has as a consequence the new forms of poverty that are the scourge of the world today. When they attain persistent and permanent levels, poor income distribution and poverty are a violation of the rights of persons, and of their capacity to realize and enjoy the rights established by the international community.

63/ See Peter Gottschalk, Bjorn Gustafson and Edward Palmer (eds.), The Distribution of Economic Welfare in the 1980s, Cambridge University Press, 1997.

64/ The report of the Special Rapporteur Mr. Leandro Despouy on human rights and extreme poverty (E/CN.4/Sub.2/1996/13) submitted to the Sub-Commission in August 1996 is conclusive in asserting that extreme poverty has been identified as "denial of human rights overall" (para. 205).

82. The "justiciability" of human rights, and especially of economic, social and cultural rights, is the greatest challenge to the juridical system for the protection of persons at both national and international levels. There has been much advance in the last few years. ^{65/} By "justiciability" we mean the process whereby the rights established in the International Covenants on Human Rights and other instruments may effectively be claimed in courts of justice and public bodies and justice may be administered as in the case of any other right that has been violated. This is an evolving process of the utmost importance. The rights established in the Covenants and international instruments that have been adopted constitute the basic framework to make possible a humanely balanced economic globalization and prevent tendencies to "perverse" globalization from imposing themselves.

83. For economic, social and cultural rights to be adequately exercised the first step consists in ratification of the Covenants and treaties on the rights of workers, and other instruments of protection. The Special Rapporteur appeals to those countries which have not yet ratified the International Covenant on Economic, Social and Cultural Rights (134 ratifications as at 31 December 1996) to do so. Global ratification and acceptance of the Covenant is fundamental for the improvement of the human condition.

84. The Special Rapporteur would also like to recall that, as stated Part I, paragraph 5, of the Vienna Declaration and Programme of Action, "all human rights are universal, indivisible and interdependent and interrelated. The international community must treat human rights globally in a fair and equal manner, on the same footing, and with the same emphasis" (...). With regard to the contents of this report, special attention should be devoted to the implementation of article 7 on the right of everyone to the enjoyment of just and favourable conditions of work and, inter alia, fair wages and equal remuneration for work of equal value. Likewise, the right of everyone to an adequate standard of living, including adequate food, clothing and housing, and to the continuous improvement of living conditions, as set out in article 11 of the Covenant, can be considered as another basic element of a more just society. Article 13 on the right to education and article 15 on, inter alia, the right of everyone to enjoy the benefits of scientific progress and its applications bring other important contributions to the debate.

85. Sustainable human development must become the first priority of the international community. The so-called "globalization" of the market risks being an empty word if the benefits of globalization are not shared among all sectors of the population, at the national and the international level. A part of the benefits deriving from economic growth should systematically be reinvested, both nationally and internationally, in human beings. This operation is not a charitable exercise: it is the first step toward the re-

^{65/} We have received a letter from the European Commission of Human Rights, Council of Europe, drawing attention to a number of recent cases in the European Court of Human Rights in which discriminatory proceedings have been taken against certain persons because of their race or status, denying their economic rights. These cases are of enormous interest as they open a new juridical horizon. Letter from Mr. Wolfgang Peukert, Head, Case Law and Research Unit, 23 April 1997.

establishment of the human being, and not the market, as the first priority. Needless to say, this re-investment in the human being will certainly be beneficial to trade and economic exchanges in general, because it will revive moribund economic activities and will permit more human being-friendly new business to be explored.

86. The report concludes with the need to review and increase the level of international cooperation. The Special Rapporteur appeals to governments, international agencies and nongovernmental organizations to press for free trade agreements and treaties, and multilateral, bilateral, regional and other agreements making for greater globalization of economic relations to include a chapter or special protocol on international cooperation.

87. A strong, almost visionary political will would allow the implementation of article 2 of the Covenant, wherein each State Party undertakes "to take steps, individually and through international assistance and cooperation, especially economic and technical, to the maximum of its available resources, with a view to achieving progressively the full realization of the rights recognized in the Covenant" (...). As it will have been observed in this final report, States are not putting the "maximum available resources" into achieving greater balance in the distribution of income at the international level, and are not always doing so at the national level.

88. The implementation of universally recognized human rights is one of the basic elements of a new way of perceiving international relations, and is linked to the achievement of a more just world. International cooperation must be rebuilt on a new basis: the colonialist, often paternalistic approach must be replaced by a new attitude based on equal partnership wherein all actors are on an equal footing and have the same rights and the same responsibilities. The Special Rapporteur appeals for an increase in international cooperation, in self-sustaining development programmes, training and education of local management capacities.

89. The Special Rapporteur addresses an appeal to the collective and decision-making bodies of the United Nations, governments and specialized agencies, to generate dialogue between countries so that the developed countries (and, some say, the developing countries) attain the target of devoting 0.7% of their GDP to international cooperation.

90. Efforts have to be made to ensure that workers in developing countries receive fair remunerations, related to those paid in developed countries, and are not exploited for the mere economic benefit of transnational corporations. Similarly, States should ensure that enterprises operating abroad are not involved in commercial relations based on human rights violations such as bonded labour, child labour and debt bondage. The Special Rapporteur appeals to countries to step up their labour regulation controls to prevent the appearance of new covert forms of slavery. He also appeals to governments that have not ratified the labour conventions of the International Labour Organisation to do so. He appeals to workers' organizations to make use of the machinery of the United Nations system for the protection of human rights, so as not to allow the processes of globalization to be accompanied by a widespread increase in the exploitation of workers and their families.

91. The final report shows that the concepts of "equal opportunities" and "sustainable human development" are closely linked. The concept of "equal opportunities" means giving all human beings a chance to improve their conditions: it does not ensure that everyone's lot will improve, but it should make sure that the destiny of an individual is not predetermined because of his/her social background. There will be no large-scale human development if "equal opportunities" are not guaranteed. Basic human indicators such as life expectancy, adult illiteracy, infant mortality and equality between the sexes must be taken into account in the drafting of economic policies. An effective struggle in favour of the right to education and against extreme poverty will make a substantial contribution to the creation of a system of "equal opportunities". Moreover, societies that are increasingly divided into two blocs, the rich and the poor, could not fully enjoy the benefits of their accomplishments because they will constantly be threatened by social strife and internal turmoil, a situation not conducive to the promotion and observance of human rights.

B. Final recommendation: a Social Forum

92. The Special Rapporteur recommends to the Sub-Commission to request the High Commissioner/Centre for Human Rights to provide the Sub-Commission at its fiftieth session with a reference document which would list all studies prepared in recent years for the Sub-Commission on economic, social and cultural rights. Such a document would allow a global evaluation of the activities of the Sub-Commission and facilitate planning future steps in this field.

93. The Special Rapporteur recommends to the Sub-Commission that one of its members participate regularly in the meetings of the Committee on Economic, Social and Cultural Rights in order to create a durable link between the two bodies and to avoid overlapping activities.

94. Bearing in mind the fundamental role in the defence of human rights and the specific mandate in the prevention of situations relating to the full enjoyment of those rights, the Special Rapporteur recommends that the Sub-Commission discuss the establishment within it of a Forum on Economic, Social and Cultural Rights, hereinafter called the Social Forum, to which the following may be invited and may attend: (a) representatives of observer governments members of the Commission on Human Rights and other interested observer governments; (b) representatives of the specialized agencies of the United Nations, especially the World Bank, IMF, ILO, UNDP, UNICEF, UNIDO, UNESCO and other bodies concerned with the promotion and protection of economic, social and cultural rights; (c) representatives of international, regional and national organizations of workers, salaried staff, professionals and employers' organizations; (d) NGOs accredited to the Economic and Social Council (ECOSOC) and international development and cooperation agencies which are not accredited and would be offered a special accreditation procedure.

95. The Social Forum could be held on three special days signalled in advance and announced in the programme of the annual session of the Sub-Commission with the active participation of all its members. The Secretariat would send out special invitations and a special agenda for this Forum. A special invitation and report would be requested from the Chairman of the United Nations Committee on Economic, Social and Cultural Rights.

96. The Social Forum would have as its main objectives:

- (a) Exchange of information on the enjoyment of economic, social and cultural rights and its relationship with the processes of globalization;
- (b) Follow-up on the relationship between income distribution and human rights, at both the international and national levels;
- (c) Follow-up on situations of poverty and destitution in the world, bearing in mind that this amounts to complete and permanent denial of the rights of persons;
- (d) Proposal of standards and initiatives of a juridical nature, guidelines and other recommendations for consideration by the Commission on Human Rights, the Working Groups on the Right to Development, the Committee on Economic, Social and Cultural Rights, the specialized agencies and other instances of the international system of the United Nations;
- (e) Follow-up to the agreements reached at the World Summit for Social Development in Copenhagen and the Earth Summit in Rio de Janeiro on the fulfilment of questions relating to this final report, and to economic, social and cultural rights in general.

97. The Sub-Commission should discuss whether to appoint a Special Rapporteur for economic, social and cultural rights, whose principal function would be to submit an annual report to the Social Forum, to be discussed by it. ^{66/} In that report the Special Rapporteur's main objectives would be:

- (a) To reproduce, summarize and systematize the deliberations and conclusions of the annual Social Forum of the Sub-Commission on Prevention of Discrimination and Protection of Minorities;
- (b) To construct and present, with the help of the specialized agencies of the United Nations system, indicators relating to the distribution of income at the international and national level, situations of poverty, situations of discrimination relating to those rights, and in particular to conditions of the rights to culture and education;
- (c) To request documentation, reports and background from the specialized agencies of the United Nations and establish systems of communication and interchange with treaty organizations relating to economic, social and cultural rights and related working groups; and to pass on to them

^{66/} This proposal is justified on the basis that as from 1996 there will not in practice have been any special report on economic, social and cultural rights, as Mr. Leandro Despouy, the Special Rapporteur on the question of human rights and extreme poverty, has come to the end of his mandate, as has Mr. El-Hadji Guissé on impunity in matters of economic, social and cultural rights and this Special Rapporteur on income distribution. Many opinions have been expressed to the effect that it would be a mistake for the Sub-Commission to abandon this fundamental sphere of human rights.

the information reaching the Social Forum, so that they may take the appropriate steps in concordance with their particular mandates;

(d) Through the Secretary-General of the United Nations, to request information from governments on national income distribution, levels of poverty, policies carried out to fully implement the economic, social and cultural rights in plans and programmes for international cooperation and other subjects relevant to these matters;

(e) To request information from the specialized agencies, governments and workers' organizations, and NGOs on conditions of work, remuneration and other aspects relating to the processes of globalization. This information will be collected especially in cases where women workers, groups of migrants, minorities and indigenous peoples are present, so as to analyse the diverse systems of discrimination and in particular to prevent them.

98. As part of his mandate, the Special Rapporteur should, with support from the Centre for Human Rights, summarize and synthesize the overall set of studies made by the Sub-Commission on matters of economic, social and cultural rights in the last ten years so that they may be made known to a broader public, and progress on these questions may be adequately evaluated.

Annexes

Table 1a

INTERNATIONAL DISTRIBUTION OF GDP BY QUINTILES
(millions of US\$ at current value)

	1960	1970	1980	1990	1994
Quintile I	1,030,658	2,341,941	10,008,341	20,233,966	23,074,429
Quintile II	76,246	131,686	938,222	1,236,900	1,506,090
Quintile III	24,358	38,439	186,139	222,985	279,011
Quintile IV	8,879	10,765	56,946	84,164	90,043
Quintile V	2,439	2,667	14,476	15,737	16,611
	1,142,579	2,525,498	11,204,125	21,793,752	24,966,184

Table 1b

INTERNATIONAL DISTRIBUTION OF GDP BY QUINTILES
(percentage share)

	1960	1970	1980	1990	1994
Quintile I	90.20%	92.73%	89.33%	92.84%	92.42%
Quintile II	6.67%	5.21%	8.37%	5.68%	6.03%
Quintile III	2.13%	1.52%	1.66%	1.02%	1.12%
Quintile IV	0.78%	0.43%	0.51%	0.39%	0.36%
Quintile V	0.21%	0.11%	0.13%	0.07%	0.07%
	100.00%	100.00%	100.00%	100.00%	100.00%

Table 2

RANKING OF COUNTRIES BY INCOME DISTRIBUTION PATTERN

RATIO OF HIGHEST QUINTILE INCOME TO LOWEST QUINTILE INCOME			
		1985-90	1991-95
		QV:QI	QV:QI
LOW INCOME COUNTRIES			
1	Bangladesh	4.1	4.0
2	Lao People's Democratic Republic	4.2	4.2
3	Sri Lanka	4.4	4.4
4	Egypt	4.7	4.7
5	Pakistan	4.7	4.7
6	India	5.0	5.0
7	Ghana	6.3	5.3
8	Viet Nam	5.6	5.6
9	Niger	5.9	5.9
10	Nepal	4.3	5.9
11	Tanzania	6.6	6.6
12	Uganda	7.1	7.1
13	Madagascar	8.6	8.6
14	China	8.6	8.6
15	Nigeria	12.3	12.3
16	Zambia	12.9	12.9
17	Nicaragua	13.2	13.2
18	Honduras	23.5	15.1
19	Zimbabwe	15.6	15.6
20	Guinea	16.7	16.7
21	Kenya	18.2	18.2
22	Equatorial Guinea	28.0	28.0
23	Rwanda	4.0	n.a.
24	Ethiopia	4.8	n.a.
25	Côte d'Ivoire	6.5	n.a.
26	Mauritania	13.2	n.a.
27	Lesotho	20.7	n.a.
LOW MIDDLE INCOME COUNTRIES			
1	Slovakia	2.6	2.6
2	Czech Republic	3.6	3.6

RATIO OF HIGHEST QUINTILE INCOME TO LOWEST QUINTILE INCOME			
		1985-90	1991-95
		QV:QI	QV:QI
3	Ukraine	3.7	3.7
4	Romania	3.8	3.8
5	Indonesia	4.7	4.7
6	Bulgaria	4.7	4.7
7	Lithuania	5.2	5.2
8	Kazakhstan	5.4	5.4
9	Poland	3.9	5.7
10	Republic of Moldova	6.0	6.0
11	Morocco	7.0	7.0
12	Tunisia	7.8	7.8
13	Jamaica	7.3	8.2
14	Jordan	7.3	8.5
15	Bolivia	8.6	8.6
16	Thailand	8.3	9.4
17	Ecuador	9.7	9.7
18	Peru	10.5	10.3
19	Russian Federation	14.5	14.5
20	Colombia	15.5	15.5
21	Senegal	16.7	16.7
22	Kyrgyzstan	22.8	22.8
23	Algeria	6.7	n.a.
24	Philippines	7.4	n.a.
25	Costa Rica	12.7	n.a.
26	Dominican Republic	13.2	n.a.
27	Botswana	16.4	n.a.
28	Panama	29.9	n.a.
29	Guatemala	30.0	n.a.
UPPER MIDDLE INCOME COUNTRIES			
1	Belarus	3.0	3.0
2	Hungary	5.2	3.9
3	Slovenia	4.0	4.0
4	Turkmenistan	6.4	6.4
5	Estonia	7.0	7.0
6	Venezuela	10.3	16.2

RATIO OF HIGHEST QUINTILE INCOME TO LOWEST QUINTILE INCOME			
		1985-90	1991-95
		QV:QI	QV:QI
7	Chile	17.4	17.4
8	South Africa	19.2	19.2
9	Republic of Korea	5.7	n.a.
10	Yugoslavia	5.9	n.a.
11	Malaysia	11.7	n.a.
12	Mexico	13.6	n.a.
14	Brazil	32.1	n.a.
HIGH INCOME COUNTRIES			
1	Spain	5.8	4.4
2	Netherlands	4.5	4.5
3	Belgium	4.5	n.a.
4	Sweden	4.6	n.a.
5	Germany	5.8	n.a.
6	Finland	6.0	n.a.
7	Italy	6.0	n.a.
8	Norway	6.4	n.a.
9	Canada	7.1	n.a.
10	Denmark	7.1	n.a.
11	France	7.5	n.a.
12	Switzerland	8.5	n.a.
13	Hong Kong	8.7	n.a.
14	New Zealand	8.8	n.a.
15	United States of America	8.9	n.a.
16	Singapore	9.6	n.a.
17	Australia	9.6	n.a.
18	United Kingdom	9.6	n.a.
1	Slovakia	2.6	2.6
2	Belarus	3.0	3.0
3	Czech Republic	3.6	3.6
4	Ukraine	3.7	3.7
5	Romania	3.8	3.8
6	Hungary	5.2	3.9
7	Slovenia	4.0	4.0

RATIO OF HIGHEST QUINTILE INCOME TO LOWEST QUINTILE INCOME			
		1985-90	1991-95
		QV:QI	QV:QI
8	Bangladesh	4.1	4.0
9	Lao People's Democratic Republic	4.2	4.2
10	Spain	5.8	4.4
11	Sri Lanka	4.4	4.4
12	Netherlands	4.5	4.5
13	Indonesia	4.7	4.7
14	Bulgaria	4.7	4.7
15	Egypt	4.7	4.7
16	Pakistan	4.7	4.7
17	India	5.0	5.0
18	Lithuania	5.2	5.2
19	Ghana	6.3	5.3
20	Kazakhstan	5.4	5.4
21	Viet Nam	5.6	5.6
22	Poland	3.9	5.7
23	Niger	5.9	5.9
24	Nepal	4.3	5.9
25	Republic of Moldova	6.0	6.0
26	Turkmenistan	6.4	6.4
27	Tanzania	6.6	6.6
28	Morocco	7.0	7.0
29	Estonia	7.0	7.0
30	Uganda	7.1	7.1
31	Tunisia	7.8	7.8
32	Jamaica	7.3	8.2
33	Jordan	7.3	8.5
34	Bolivia	8.6	8.6
35	Madagascar	8.6	8.6
36	China	8.6	8.6
37	Thailand	8.3	9.4
38	Ecuador	9.7	9.7
39	Peru	10.5	10.3
40	Nigeria	12.3	12.3
41	Zambia	12.9	12.9

RATIO OF HIGHEST QUINTILE INCOME TO LOWEST QUINTILE INCOME			
		1985-90	1991-95
		QV:QI	QV:QI
42	Nicaragua	13.2	13.2
43	Russian Federation	14.5	14.5
44	Honduras	23.5	15.1
45	Colombia	15.5	15.5
46	Zimbabwe	15.6	15.6
47	Venezuela	10.3	16.2
48	Guinea	16.7	16.7
49	Senegal	16.7	16.7
50	Chile	17.4	17.4
51	Kenya	18.2	18.2
52	South Africa	19.2	19.2
53	Kyrgyzstan	22.8	22.8
54	Equatorial Guinea	28.0	28.0
55	Rwanda	4.0	n.a.
56	Belgium	4.5	n.a.
57	Sweden	4.6	n.a.
58	Ethiopia	4.8	n.a.
59	Republic of Korea	5.7	n.a.
60	Germany	5.8	n.a.
61	Yugoslavia	5.9	n.a.
62	Finland	6.0	n.a.
63	Italy	6.0	n.a.
64	Norway	6.4	n.a.
65	Côte d'Ivoire	6.5	n.a.
66	Algeria	6.7	n.a.
67	Canada	7.1	n.a.
68	Denmark	7.1	n.a.
69	Philippines	7.4	n.a.
70	France	7.5	n.a.
71	Switzerland	8.6	n.a.
72	Hong Kong, Province of China	8.7	n.a.
73	New Zealand	8.8	n.a.
74	United States	8.9	n.a.
75	Singapore	9.6	n.a.

RATIO OF HIGHEST QUINTILE INCOME TO LOWEST QUINTILE INCOME			
		1985-90	1991-95
		QV:QI	QV:QI
76	Australia	9.6	n.a.
77	United Kingdom	9.6	n.a.
78	Malaysia	11.7	n.a.
79	Costa Rica	12.7	n.a.
80	Mauritania	13.2	n.a.
81	Dominican Republic	13.2	n.a.
82	Mexico	13.6	n.a.
83	Botswana	16.4	n.a.
84	Lesotho	20.7	n.a.
85	Panama	29.9	n.a.
86	Guatemala	30.0	n.a.
87	Brazil	32.1	n.a.